

India's Parliament

Volume IX

*Selections from the Proceedings of the
Special Session of the Legislative Assembly
and the Council of State held in Simla in
September, 1924.*



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INTRODUCTION.

The Legislative session at Simla began on the 3rd September, 1924, when the Council of State met under the presidency of Sir Montagu Butler and the Legislative Assembly under that of Sir Frederick Whyte. There was a good attendance

Foreword.

in both Chambers and the list of business left no room for doubt as to the strenuous nature of the Session. Considering the distance which separates Simla from Presidencies like Bengal, Bombay and Madras and the inconvenience inseparable from long journeys during the monsoon, the strength in which the members from all parts of India assembled bears no small testimony to their sense of duty. A short session of three weeks was crowded with business and never before had the members to attend a larger number of days in the week, or to put in a longer succession of late sittings. The atmosphere of the Session was highly controversial: but political differences were, in accordance with British traditions, happily divorced from personal animosities. The criticism directed against the Government benches showed no signs of diminishing: but the dignity of the Legislature was on the whole well maintained by the tone and temper of the speeches. Exhibitions of petulance or of impatience were fortunately to seek; and while certain of the decisions of both Houses have met with outspoken criticism from one standpoint or the other, there has been a gratifying absence of animadversion upon the good faith or the honesty of those to whom these decisions are principally to be ascribed.

During the fourteen days for which the Assembly actually sat no less than 694 starred, with the usual complement in important cases of supplement-

aries, and 181 unstarred questions were put and Questions and answers. answered. In the Council of State the number of questions answered was 136. The growing increase under interpellations points to the popularity of this method, which the members freely employed both to elicit information, and, not infrequently, when the "supplementaries" were flung from all quarters of the House, to indicate to the Government their feelings on particular matters. The field covered by questions was wide. It included the recent amendment of the Legislative Rules, the purchase of stores, the opium policy of the Government of India, the administration of cantonments, and many of those other topics on which certain members hold views not in consonance with those of the Government. As usual, the comforts of third class passengers and the grievances of individuals also formed the subject of interpellations. The unfortunate floods in Southern India and the regrettable incidents in Kohat did not fail to invoke the sympathies of the Legislature which tabled a series of questions on these subjects.

The number of interpellations, and the readiness with which individual members employed the facilities accorded them for the purpose of cross-examining the Government benches, showed no

to consider any matter of special importance—a procedure which the Indian Legislature has exhibited in previous sessions, an inclination to employ with less restraint than British Parliamentary practice would appear to endorse. The only occasion on which any attempt was made to raise urgent questions otherwise than by interpellations and resolutions, occurred on the 24th September when Mr. Patel gave notice of his desire to move the presentation of a formal address to the Governor General under Standing Order 74 in the following terms :—

“That a humble address be presented to His Excellency the Governor General requesting that he be pleased to summon the next session of the Legislative Assembly on some date after the expiration of four years from the time of the first meeting of the Assembly, so as to enable the Assembly to exercise its right of electing its President under section 63 C(1) of the Government of India Act.”

The President remarked that the proposition involved the use of a method which was not available. Standing Order 74, he added, was not in itself an operative Standing Order, but only provided the means whereby communications, under other provisions of the procedure, should be transmitted to His Excellency and it did not cover the purpose of a motion like that of Mr. Patel's. Mention may also be made of certain special occasions when references were made to the deaths of Nawab Muhammad Abdul Majid and Khan Bahadur Usman Sahib Bahadur, members of the Council of State, and of Mr. Bhupendranath Basu who had been a member of the old Imperial Legislative Council, and votes of condolence were passed. On the 23rd September 1924 advantage was taken of the last sitting of the Council of State at which Dr. Mian Sir Muhammad Shafi, its Leader, was present, to put on record an appreciation of the services he had rendered and the sense of regret at his impending retirement. Sir Dinshaw Wacha, Dr. Sir Deva Prasad Sarvadhikary, Colonel Nawab Sir Umar Hayat Khan, Sardar Jogendra Singh, Sir Arthur Froom, Mr. G. A. Natesan, Sir Zulfikar Ali Khan, Mr. J. W. A. Bell, Mr. Yamin Khan, Sirdar Charanjit Singh, Sir Narasimha Sarma, and the President all made valedictory speeches and Sir Muhammad Shafi thanked them for the kindly sentiments they had expressed.

Resolutions.

Resolutions again afforded an important field for non-official activity, though it may be mentioned here in passing that the session was distinguished by the preponderating share of time and attention which was given to legislation as opposed to the discussion of resolutions. A resolution of considerable political importance was moved in the Council of State on the 9th September 1924 by Sardar Jogendra Singh in the following terms :—

“That this Council recommends to the Governor General in Council to appoint a Reconciliation Board to consider the whole Sikh question and to promote its settlement by mutual agreement.”

He admitted that one of the greatest needs of the present time was to preserve law and order and to uphold the authority of the State. But he reminded the House that the Sikh community, as a whole, stood firm in support of the State. He asked the House if there could be a greater test of loyalty than the desire of a community to serve the Empire in its armies, and asserted that

Sikh question.

the Sikhs as a body were anxious to keep their religious movement free from politics and that they would be fully satisfied if their absolute right to govern their Gurdwaras was fully recognised by a legislative Act. Sardar Jogendra Singh pointed to the lives which some of their abbots led and maintained that it was not without tremendous provocation that the Sikhs, tired of Courts and law suits, had decided to reform the Gurdwaras. Mr. Crerar acknowledged the sincerity, the earnestness and good will which had inspired the mover but expressed his inability on behalf of the Government to accept the precise terms of the resolution. "Government are as anxious," continued Mr. Crerar, "as the Honourable Member himself to promote a solution and to restore the old relations—never completely severed, and shortly I hope to be completely restored—of cordiality and confidence. Our objects are the same and if we differ—and even so by no means by an insurmountable gulf—it is only in expedients." The general policy of the Government, he observed, was, as stated in the course of a reply by the Under Secretary of State in the House of Commons to "maintain order and public security by consistently applying the law against all offenders and at the same time to neglect no means of arriving at a suitable and equitable solution of the matters in controversy with due regard to all the interests that are affected," and for a more detailed statement of that policy cited passages from the speeches of the Governor of the Punjab. After referring to the failure of the Birdwood Committee to effect a settlement, the Secretary in the Home Department said that he looked forward with hope and confidence to the future and deprecated the use of an unnecessary syllable or a superfluous gesture which could possibly prejudice those hopes. But if negotiations were to be resumed with any reasonable prospect of success he felt that "the move in that direction, as things now stand, should come from the Sikh community as a whole; or if that is not yet practicable, it must come in a form which will render it possible for the whole community, not merely a party or a section, but for the whole community, to be fully, freely and effectively consulted." The resolution was supported by Mr. Khaparde and opposed by Sirdar Charanjit Singh. His Excellency the Commander-in-Chief doubted whether Sardar Jogendra Singh had fully considered all that had been previously done and whether he had attempted to think out to its logical conclusion the results that would happen if the Government were to take the steps he suggested. His Excellency had had the advice and assistance of a very large number of Sikhs belonging to the different sects of the community from all parts of the Punjab, and the recommendations they had made had varied from handing over all shrines in the Punjab immediately to the Akalis to the depriving of the Akalis of any shrines of which they had taken possession. General Birdwood was unable to disclose what had happened in the negotiations and conversations which he had had in the course of his Committee, but he felt that the time had come for the Sikh Sardars to step forward and take their places like men and to do what they had not hitherto done, namely, to go to their people, lead and help them, talk to them, and above all tell them the truth. The Punjab Government was in full sympathy with any movement to purify the Sikh shrines, but they insisted that nothing should be done outside the four corners of the law. Dr. Sir Deva Prasad Sarvadhikary referred to the All-India importance of the resolution, enumerated the various questions that had to be faced, and

contended that they could only be looked into by an organisation such as that suggested in the resolution. Sir Muhammad Shafi assured the House that when he compared the present Sikh situation with what he had left when he joined the Government of India his heart was filled with sorrow. He had every sympathy with the object which the Sikh reformers had in view, and so had the Government of India as well as the Punjab Government. It was with that object that the Birdwood Committee had been appointed, but a situation had arisen which made it absolutely hopeless to expect any good result from a formal constitution of the Committee. "To-day I wish to point out," said Sir Muhammad, "not only that the Government are willing and ready to accept any Gurdwara Bill which the leaders of the Sikh community may frame consistently with the rights of other communities, but that they have always been so willing and ready to accept such a Bill as that." Sirdar Jogendra Singh expressed his gratitude for the way in which the Government had received the resolution and expressed a desire to promote Gurdwara legislation. The resolution was thereupon withdrawn.

Another Resolution, perhaps the most important of the session, dealing with the recommendations of the Lee Commission was moved in the Legislative Assembly by the Home Member on the 10th September 1924, and in the Council of State by the Secretary in the Home Department on the 15th September, the discussion in the former place lasting three days and in the latter two days. The Resolution was in the following terms :—

This Assembly recommends to the Governor-General in Council :—

- (1) that the following recommendations of the Royal Commission on the Superior Civil Services in India be in principle approved—
 - (a) that while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields, the following Services operating in transferred fields, namely, the Indian Educational Service, the Indian Agricultural Service, the Indian Veterinary Service, the Buildings and Roads Branch of the Indian Service of Engineers in those provinces in which the two branches have been separated, and the Indian Forest Service in Bombay and Burma, should so far as future recruits are concerned be appointed and controlled by local Governments ;
 - (b) that recruitment of Indians for the Services in reserved fields should be increased as recommended ;
 - (c) that, having particular regard to recommendation (a), early steps be taken to constitute the Public Service Commission contemplated by section 96-C of the Government of India Act and to enact such legislation as may be necessary ;
- (2) that pay, passage concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended ; and
- (3) that the recommendation of the Royal Commission regarding the constitution of Provincial Medical Services in Governors' Provinces be accepted in principle subject to—
 - (a) the employment in the provinces of an adequate military reserve ;
 - (b) the provision of adequate medical attendance for British officers in the Civil Services and their families ; and
 - (c) the further consideration of the conditions necessary to secure an adequate number of British medical recruits for the needs of the army.

Dealing with the history of the appointment of the Commission, the Home Member remarked that the opposition to it had been based on the fear that the Commission, both in the matter of the control of the services and of Indianization, would recommend a reactionary policy. But as a matter of fact the Commission had made in both respects an immense advance on the position contemplated in the Montagu-Chelmsford Report, and he felt that the

House was far too fair to allow its judgment to be obscured by any feeling of pique or dissatisfaction at the fact that its wishes had not been attended to when the Commission was appointed. Sir Alexander asked the House to remember that the Commission was not a body charged with the reform of the constitution, and that its duty was to make proposals which would adapt the organization of the services to the existing constitution. But nevertheless the Commission had not been oblivious of the fact that alterations in the constitution might take place in the future, and he claimed that there was nothing in the Report to justify the charge that their recommendations impeded constitutional progress. He further asked the House not to ignore the fact that the Report was unanimous, and that unanimity had been secured on a Commission representing so many diverse phases and elements. Moreover, the recommendations were the result of a compromise, and the value of a fair-minded compromise was very great. In regard to the position of the services, the Home Member remarked that in no country was the position one of direct contact with the Legislature; the Executive Government was the master of the services and their protector; and in every country, however democratic, nine-tenths of the actual work of government was discharged by the services. Sir Alexander quoted from Professor Ramsay Muir to show that after centuries of democratic experience in England it had not been possible to dispense with a bureaucratic machine. Coming to the recommendations of the Commission, the Home Member stated that it had been recognized that the services should be controlled by the authority which was ultimately responsible for the administration of the subjects with which they dealt. The argument which justified the retention of the Secretary of State's control over the services in the reserved field had been applied to justify the transfer of control over the services in the transferred field, and these proposals were of a very far-reaching nature. Analyzing the proposals of the Commission, the Home Member said :—

“I must confess that I myself received rather a shock when I first saw the figures. I take the All-India Services. The present sanctioned strength is 4,279; their actual number is just under 4,000. I estimate that on the proposals of the Commission about 1,300 posts, so far as future recruits are concerned, will be provincialised, and I will assume that this means practically complete Indianization. There will remain something under 3,000 posts on an All-India basis, but of these 3,000 it is contemplated that the greater portion will eventually be filled by Indians. In every case except the Police it is recommended that Indian recruitment to these Services should be more than half the total while in the Police it is proposed to recruit half and half. If the proposals of the Commission are given effect to, there will, I estimate eventually remain in the All-India services only some 1,300 British Officers including the doctors of the military reserve. If we confine our consideration to the two security Services—the I.C.S. and the Indian Police Service—the number of posts which will eventually be held by Europeans on the proposals of the Commission is less than 900.

I sometimes wonder if it is realized that when the Indian Civil Service consists half of Europeans and half of Indians there will only be 675 British officers employed in the whole of India in the important tasks which this Service performs, and of this number less than 400 will be filling posts of major responsibility, the remainder being under training in less responsible posts or on leave. Is it really suggested that in the condition of India some 400 British officers employed in important Secretariat or administrative posts, as heads of districts, as Sessions Judges, as Political officers and the like is an excessive number in a country with more than 300 million inhabitants?”

With the existence of communal and provincial feeling in the country, to which it was impossible to shut one's eyes, the Home Member continued, one could not believe that it could afford or would wish to dispense with the services of British officers. But he reminded the House that a service was an organism of slow growth; every year a few entered it and a few left it.

There were at present 165 Indians in the I. C. S.; and of these 86, or more than half, had entered within the last few years; and the Commission proposed to give them 60 per cent., so that if recruitment was normal within the next five years, as many Indians could enter the service as the total number that was at present in it. Referring to the demand that recruitment in England should be stopped, the Home Member enquired if those who made it honestly thought that it would ever be possible to revive British recruitment when once it had been stopped, and if everything would still go on as before in the services. He feared that such an announcement might lead to a considerable exodus of British officers. "We shall be losing British officers by retirement" said the Home Member, "according to normal calculations at the rate of about 120 a year, that is, for every 10 British officers that retire from the All-India Services we shall recruit not more than 4." Could it be maintained on the strength of these figures that "Englishmen in this country desire to keep up English recruitment for selfish reasons?... Now, I ask you, Sir, 45 British recruits a year—is that a fact which is going to affect an Empire like ours or a race like mine? —45 recruits?" In this connection the Home Member also referred to the anxiety of the Muhummadan and other minority communities and of many of the provinces, which were apprehensive that they might not get a reasonable share of the appointments, and observed that no concession could be made to claims of this kind without departing to some extent from the principle of free competitive examinations; but the House had passed a Resolution that the services should not be unduly overweighed with representatives of any one community or province, and this question would have to be taken into very careful consideration in connection with the increased rates of recruitment for Indians.

Regarding the financial relief of the services, the Home Member said that it had to be approached from the point of view of the present incumbents and of the encouragement of recruitment. He asked the House to bear in mind that complaints had been made by existing incumbents before the war and long before the reforms, and nothing was more untrue than the suggestion that the services were asking for more pay as a bargain for the reforms. He relied on the inquiry into prices conducted by Mr. K. L. Dutta to shew that in the period 1890—1910 there had roughly been a fifty per cent. rise in prices all round; and it was not therefore surprising that the services in 1912 were beginning to feel the effects of those rises. The war had produced an upheaval of prices, and the recommendations of the Islington Commission had become out of date before they were considered. It was probably a reasonable estimate that the rise in the cost of living for Europeans in India had by 1919-20 been not less than sixty per cent. But at the time the increases were given there were influences of a compensatory character, the chief of which was the rise in the exchange value of the rupee. The Montagu-Chelmsford Report had urged that something should be done towards restoring the real pay of the services to the level which had proved attractive 20 years ago, and this would perhaps have involved an increase of fifty or sixty per cent. The actual increase sanctioned, however, was some 8 to 10 per cent. If the exchange had remained at or about two shillings, it was probable that no complaint would have been made regarding the scales of 1919-20. But that rate did not stand, and by the end of 1920 the Government were overwhelmed with a large number of memorials protesting against the new rates

of pay ; at that time, however, there was great financial stress in India. The Government postponed any further action till 1923 when the decision to appoint a Royal Commission was taken. The Home Member then referred in detail to the relief which had been proposed by the Commission and to the view the Government took of those recommendations. The Government agreed to add Rs. 50 a month to the overseas pay, and to the payment of that overseas pay in sterling in such a way that the officer was protected against loss if the exchange fell below 1s. 4d., and if the exchange rose above 1s. 4d., the Government would take the profit. The Government had adopted a middle course between the proposals of the English and Indian Members of the Commission and felt that it was unnecessary to consider the grant of any relief to any officer at present drawing more than Rs. 3,000 a month. They had also accepted the recommendation regarding the grant of free passages. Agreeing with the Commission the Government of India had rejected the claims for an increase in the pension of the Indian Civil Service, in spite of the fact that out of a pension of £1,000 a year which was allowed to members of that service, no officer who had joined the service before 1919 really got more than £750 a year from the Government because his own contribution, it was estimated, amounted to £250 a year. The Government had rejected the recommendation in regard to an increase in the pension to members of the I. C. S., who attained the rank of a Member of Council or Governor. But Government had agreed to a moderate increase in the pensions of the uncovenanted services amounting to Rs. 1,000 a year in the ordinary pension from 25 years' service onwards.

On a 1s. 4d. basis, the cost of the recommendations of the Commission in the first year would be Rs. 96 to 98 lakhs *plus* about 7 lakhs for administrative posts, or just over one crore, and if the exchange rose, it would be less. It had been said by the Commission that the annual cost would probably rise until it reached about Rs. 1½ crores and would subsequently fall as Indianization made itself felt. The Home Member thought that this was too pessimistic a view, and under-estimated the immediate economies of Indianization. "If we take into account both the overseas pay and the passage concession, the Indian officer of the future will be costing from the 12th year of service onwards some Rs. 500 a month or Rs. 6,000 a year less than the British officer, and even in the first year of service he will cost Rs. 2,400 less. For every 10 British officers that retire at least 6 Indians will be recruited involving an economy of over Rs. 14,000 annually. Now we may anticipate that about 150 British officers will retire each year from the All-India and Central Services. This would suggest a progressive saving of more than 2 lakhs each year which is appreciably in excess of the progressive increase on account of pensions, and will moreover steadily rise in subsequent years." On the question of recruitment the Home Member referred to the fall in the number of European candidates for the I.C.S., and the Indian Police, and observed that without a removal of the present economic difficulties of the services there was no likelihood of their being able to obtain for the services the Englishmen they wanted. "The general impression I have derived is that, if effect is given substantially to the recommendations of the Commission, there are some hopes of a decided revival of recruitment..... I feel that the occasion is a great one ; that the House has a great opportunity, a great responsibility."

Pandit Motilal Nehru moved the following amendment :—

That for the original Resolution the following be substituted :

PART I.

That having regard to the following among other facts, namely :

- (a) That the Royal Commission on the Superior Civil Services in India was appointed, and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly ;
- (b) That all questions affecting the Civil Services are inseparably connected with, and entirely dependent upon, the larger question of the grant of responsible government to India and cannot be entertained and satisfactorily dealt with unless and until the Resolution of this House on Responsible Government adopted on 18th February, 1924, is substantially complied with ;
- (c) That the terms of reference to the said Royal Commission and the recommendations made by it involve the perpetuation of an antiquated and anachronistic system of public services without any attempt to reconstruct the administrative machinery to suit the present day conditions of India which are widely different from those prevailing when it was inaugurated ;
- (d) That the said terms of reference to the said Royal Commission and the recommendations made by it are based on the unwarranted assumption that the existing system of government, both Central and Provincial, and the present position, powers and functions of the Secretary of State, the Governor General and the Governors of Provinces would continue indefinitely.
- (e) That some of the recommendations of the Royal Commission are intended to deprive the Legislatures even of their existing powers by suggesting devices to transfer items of expenditure hitherto subject to the vote of the Assembly and the Provincial Councils to the head of non-votable items ;
- (f) That the said recommendations have introduced racial discriminations in the treatment of the All-India Services ;
- (g) That the said recommendations make the extraordinary provision that officers appointed to the All-India Services after 1919 as also those to be appointed hereafter shall have guarantees against and compensation for being transferred from the reserved to the transferred field of Service—a contingency which they must be taken to be well aware of when they were appointed ;
- (h) That the recommendations of the Commission regarding the Medical Services are entirely unsatisfactory in that (1) they seek to perpetuate the complicated system of interdependence of the Provincial Medical Services upon the irresponsible Military Department ; (2) they introduce the objectionable principle and a costly scheme of provision for medical assistance to Europeans on a racial basis ; (3) they do not recognise the necessity of the Indian units of the Army being officered by Indian Medical officers, and (4) they propose to absorb the present Indian Medical Service into the Royal Army Medical Corps (India)—a step which will practically close the door to Indian medical men in the said corps and thereby also in civil employment ;
- (i) That the inquiry held by the Royal Commission has been unsatisfactory in that the bulk of the evidence on which the said recommendations of the Commission are based was allowed to be tendered and accepted in camera and no material evidence is either indicated or made available to this Assembly, this Assembly recommends to the Governor General in Council that the recommendations of the Royal Commission on the Superior Civil Services of India be not accepted, and this Assembly further recommends that instead of the recommendations referred to in clause (1), sub-clauses (a), (b) and (c) and clause (2) of Sir Alexander Muddiman's Resolution so far as the latter relates to future entrants into the Civil Services being approved, the following steps be taken in respect of future recruitment and control of the Services, namely :
 - (i) That all further recruitment in England for the Civil Services in India including the Medical Service under the existing rules be stopped.
 - (ii) That a Public Services Commission be established in India and the constitution and functions of that Commission be determined on the recommendations of a Committee elected by this Assembly.
 - (iii) That His Majesty's Government be requested to take the necessary steps for the purpose of transferring the powers of appointment and control of the Services, now vested in the Secretary of State, to the Government of India and the Local Government, such powers to be exercised under laws to be passed by the Indian and Local Legislatures regulating the Public Services, including the classification of the Civil Services in India, the methods of their recruitment, their conditions of service, pay, and allowances and discipline and conduct.

PART II.

This Assembly is unable in view of the present financial condition of India and on the materials before it to satisfy itself as to the propriety and reasonableness of the recommendations of the Royal Commission in respect of the alleged grievances of those at present holding office in the Civil Services, and cannot with due regard to the interests of the tax-payer assent to the imposing of fresh burdens on the already overburdened finances of the country.

But, in view of the financial relief that will result from the stoppage of all recruitment outside India under the existing rules as recommended above in Part I, this Assembly is prepared to consider the alleged grievances of the present incumbents as regards pay, passages concessions and pensions and recommends such measures of redress as may be found necessary, and for that purpose it recommends to the Governor General in Council to take steps for the election of a Committee by this House to enable them to go into the entire question on all the materials available to the Royal Commission including the evidence taken in camera or such other material as may be available and to make its recommendations to this House as early as possible."

In moving the amendment Mr. Nehru entered his protest against the appointment on the Commission, which, he said, had been forced upon the country contrary to the repeatedly expressed wishes of the first Assembly. Had the Conservative Government been in power, he would have refused even to look at the Report; but he could not hold the present Government responsible for the sins of its predecessors. The Labour Government having asked the Assembly to examine the Report, they would do so, but Mr. Nehru said that they could not abandon their contention that the circumstances of the appointment of the Commission were a valid plea against any claim to the consideration of their Report by the Assembly. Indian opinion, Swarajist and Congress as well as liberal, had deliberately boycotted the Commission. What, then, was the value of the Report? Mr. Nehru asked His Majesty's Government to give these facts their proper weight and to put themselves in the position of the people of India. In support of his claim that the recommendations of the Lee Commission should be wholly rejected, Mr. Nehru relied on the terms of the Resolution which asked for approval *in principle* of the recommendations of the Report when that Report had laid down no principle and was a "string of *ipse dixits*, a series of bald statements, of inferences and conclusions supposed to have been arrived at upon evidence which is not before this House." Dealing with the second part of his motion, Mr. Nehru said that it was impossible to conceive how any service could be properly organized until they knew exactly who would be the master the public servants would have to serve. Before the final settlement of the question of responsible government, who could tell what would be the nature of the services required, who would be the persons qualified to enter those services, and what should be the terms upon which those services were to be recruited? Dealing with the functions of the services, he controverted the statements of the Home Member, by asserting that it lay with the Legislature to define the powers of the officials and to lay down the conditions of recruitment as well as to define the policy for execution. In support of his view, he quoted from Sidgwick's Elements of Politics and from Lowell's book on the Government of England. "We are not asking to be allowed," continued the Pandit, "to interfere from day to day with the actual carrying out of the laws or the policy of Government. We claim the right to lay down that policy and to enforce it, and if public servants would not enforce it to have the right to exercise our disciplinary jurisdiction over them, and to dictate to them from time to time what is their duty."

He inquired whether the policy the Government were pursuing had any relation whatever to the grant of responsible government to the country and maintained that that policy certainly was not one which would lead them at any time to responsible government. "The mere substitution of Indian for English public servants has nothing whatever to do with the changes which must necessarily come the moment real power is invested in this Legislature and in the representatives of the people. We do not want simply a brown bureaucracy to be substituted for a white bureaucracy. We want substantial powers in the representatives of the people, and, if our white friends would care to stay and take part in our affairs after we have got those powers, we will be very glad to see them as representatives of their community in this country." Mr. Nehru had nothing to say against the existing or future members of the services, and he directed his attack against the system, which he observed, was a survival of the conditions of 110 years ago, the old *ma-bap* system which had been inaugurated in 1813. "What I submit is" continued Mr. Nehru, "that we are no longer in the *ma-bap* period, and that the *ma-bap* principle would not now help you to govern the country. If you want to be here, if you want to take part in our affairs, it has to be under a *bhain-bhai* system and not a *ma-bap* system." What was wanted was a radical change in the organization of the services, and Mr. Nehru quoted a leading article in the *Times of India* in support of his contention. He repudiated the suggestion that Indian opinion regarded the services as mercenaries, but he did regard them, nay the Home Member himself, as an anachronism. Proceeding he said that the recommendations of the Commission were unprogressive; they were calculated to deprive the Assembly even of its existing power over the services, and he cited, in support of his view, the proposals regarding passages, provident funds, and the appointment of officers by the Secretary of State for India. Continuing, he adverted to the racial discrimination which had been introduced in respect of passages, of remittance privileges and of medical attendance. Dealing with the remark that, whereas in the days of the Islington Commission the question had been how many Indians should be admitted into the public services, it had now become, what was the minimum number of Englishmen which must still be recruited, Mr. Nehru said that the question he would formulate was, "is there any reason whatever why any Europeans at all should be retained in this country unless their services were required as experts or because they possessed special technical knowledge." He did not assert that the services were animated by personal selfish motives, but the selfish reason was there in the "maintenance of the grip over India for all time to come." Mr. Nehru strongly condemned the failure to publish the evidence upon which the conclusions of the Commission were based, and he quoted from the *Madras Mail* to show that inducements had been put forward by the Commission to certain Associations to apply that evidence should be taken in camera. These facts, Mr. Nehru maintained, militated against the idea that the Commission could be treated as a jury, and he asked the Assembly to reject the recommendations of the Commission. On the materials before it, he repeated, the House could not agree to the relief proposed for the services; but if a case were made out to the satisfaction of the Assembly, it would give relief. At the time, Mr. Nehru saw no justification for incurring such a large expenditure merely on the strength of the alleged rise in prices. Prices had risen

all over the world, but nowhere had permanent increases of salaries on that account been given, and he certainly saw no justification for increasing the amenities of those Civilians who had entered the service since 1919, and who must have had their eyes open to the conditions under which they were going to serve. Concluding his speech, Mr. Nehru said that the proposals of the Commission purported to be a part of the great scheme of 1919. But cynics had examined that scheme and found it illusory. They had looked the gift horse in the mouth and found it wooden. The simpler souls had tried to ride it and had found that it was fixed to a steel frame. They had asked for relaxation, and a few screws were taken from the front and fixed behind. The country feared that vested interests were being continuously created. "The British Government are trying to stave off the evil day as long as they can; the evil day when full responsible government will be granted to this country; and meanwhile, for fear lest the day may come sooner than they imagine, what are they doing? They are sinking their foundations deeper and deeper, so that when the day really comes they may have practically nothing to hand over to the next Government, and all that matters may remain in the possession of vested interests." Lest this should occur, he asked the House to throw out in their entirety the recommendations of the Commission. Sir Charles Innes complimented Mr. Nehru on his moderation and hoped that the tone he had adopted would influence the entire course of the debate. He recognized that Mr. Nehru had held out an olive branch but he expressed his inability on behalf of the Government to accept it. He challenged the interpretation Mr. Nehru had put upon the terms of the Government Resolution. The Government had accepted in the main, the proposals of the Commission, but had reserved the right on minor points of detail to vary those recommendations. The opposition of the last Assembly to the appointment of the Commission was based, Sir Charles observed, entirely on a misapprehension as to the scope of the inquiry; but apart from that, under section 96 of the Government of India Act, the protection and control of the services was vested in the Secretary of State, and the House had no right to take up the position that His Majesty the King, on the advice of his Ministers, was not at liberty to appoint a Royal Commission of this kind. Moreover, the Commission having been appointed by the authority of His Majesty the King-Emperor himself, it was only right that the Assembly should show some respect to its Report. In view of the change which under the recommendations of the Commission was anticipated in the future composition of the services, Sir Charles questioned if the wooden horse to which Mr. Nehru had referred had "not rocked to some purpose." Dealing with the suggestion that the Royal Commission was a negation in advance of the popular demand for a further constitutional advance, he asked the House to remember that the Commission had not been appointed in anticipation of, or in substitution of, the statutory Commission. The only connection the Commission had with further constitutional advance was in regard to the effect that advance might have upon the recruitment of the services, and their Report showed that they had taken that contingency fully into account. Sir Charles asked the House particularly to bear in mind that there was a clear and vital distinction between the form of government and the business of administration. "What the politician is concerned with," continued Sir Charles, "is the form of government In every country in the world the

mass of the people do not care two straws what the form of Government is. All they want is to be governed. All they are vitally concerned with—their peace, their happiness, their security—depend upon the manner in which the administration is carried on by the services. It is exactly here that the Indian Civil Service and the Police come in I say, Sir, there is one thing that the British Government can, will, and should hand over to India when India gets Swaraj, and that is strong, pure, efficient, incorruptible public service and that, Sir, is one of the main aims and objects of this Report.” The Commerce Member also denied that the present services were an anachronism who differed from their predecessors merely in drawing increased rates of pay, and stated that in 1826, when the rupee was worth anything between 2s. 6d. and 3 shillings, the Collector of Customs, Agra, drew as pay Rs. 4,000 a month, the Judges of Circuit in the North-West Provinces, Rs. 3,750, Rs. 3,333 and Rs. 2,916 a month. He admitted that in some respects a change had come over the duties of the District Officer, but remarkably little change had come over their actual work. “In the circumstances of India,” said Sir Charles, “I do not care what form of Government you have, you would always have to have something corresponding to the I.C.S.; you would always have to maintain the unit of the district.” Moreover, the need for the preservation of law and order was very great, and he regretted that at the very time when it was feared that there might be a great conflagration, the Pandit should be suggesting to the British Government at home that recruitment to the Indian Civil and Indian Police Services should be stopped. On the question whether relief should be given to the services concerned, Sir Charles reminded the House that since the beginning of this century the cost of living in India for the European had gone up by more than 100 per cent., and the actual increase of pay given to the Civil Service was between ten and eleven per cent. While the services were being made the target of attacks on all sides, their means had got steadily more and more strained. The position of the Government of India, therefore, was that for years they had been resisting the demands for an increase on the ground that they could not afford the money; now that the demands had been put before an impartial tribunal and that tribunal had made those recommendations, the Government thought that, in justice to the services, they ought to accept them. The main principle in dealing with the Report, the Commerce Member said, had been that at any rate for the vital services, they should continue to attract the best class of Englishmen to this country; and he added, “My belief, Sir, is that in the circumstances of this country India will for many years to come require Englishmen of the best class to assist her in her district administration”

Dr. Lohokare said that he had, as a medical man, examined the medical aspect of the recommendations of the Lee Commission, and he did not agree with them. He adverted to the handicap which the recommendations would impose upon local initiative and talent, and he strongly objected to the concentration of European medical officers in important stations as an inevitable consequence of the principle that European officers should be entitled to medical attendance by men of their own race. Mr. Lohokare maintained that, in the race for promotions, this would only operate as a great handicap on the Indian members of the service. He also objected to the recommendations of the Commission regarding the Royal Army Medical Corps, and strongly supported Pandit Motilal Nehru’s amendment.

When the debate was continued on the 11th September Colonel Gidney complained that in the recommendations of the Commission regarding Indianisation the interests of the domiciled community had been overlooked, and he wanted to know in what category his community stood. Dealing with the proposals regarding the Royal Army Medical Corps and the Indian Medical Service he criticised the existing arrangements characterising the two Services and deplored the virtual extermination of the Indian Medical Service which he said would follow from the proposals of the Lee Commission. He recommended the entire omission of Chapter 3 of Part I of the Report and asked for the appointment of a Committee to examine the whole question. He asked the House to recognise the right of the European to require European medical attendance and maintained that the medical needs of the country required a leaven of Europeans. Colonel Gidney saw no objection to the proposed Civil Medical Service if it were wholly distinct from military requirements. In conclusion, he maintained that there was no real shortage of recruitment for the Indian Medical Service and asserted that the available hospital accommodation was excessive. Sir Narasimha Sarma said that the Government asked for fair play from the House in dealing with the recommendations of the Commission. He felt that the Government had taken a step of far-reaching importance in accepting the complete provincialisation of certain Services and in leaving to Local Governments the future recruitment to those services, and that India would require the help, the guidance and the friendly co-operation of the men who would be left in those services for the purpose of building up the national agriculture and industries. He denied that there was anything in the Lee Commission Report which could expressly or impliedly be taken as precluding the progress of the reforms, and he advised the House not to import doubts and difficulties into the discussion. Dealing with the proposals of the Government on the question of the Medical Services, the Member for Education, Health and Lands observed that the Government had tabled them in order to show that they treated the recommendations as a whole and that they had no idea of going back upon any of the recommendations which might be considered to be in favour of the proposals that the people had been pressing upon the attention of the House and of the Government. Government had asked for the views of Local Governments, but most of them had not up to the time replied; and the question was further complicated by the fact that the suggestions of the Lee Commission touched upon the future organisation of the Army which was outside the purview of the Commission and with regard to which the War Office had to be consulted before any reasoned conclusions with reference to the future composition of the Army Medical Services could be arrived at. He asked the House to confine its attention to the proposals as formulated by Government which asked them to accept in principle, but subject to certain limitations, the recommendation that Provincial Civil Medical Services should be constituted in the Provinces. Speaking for himself, Sir Narasimha said that the centrifugal forces operating powerfully in the country, the divisions and provincial jealousies needed to be checked and the all-India Services had been a very useful factor in the past in that direction. It was not, therefore, without some hesitation that he had accepted the recommendation, but he had done so because there was no other alternative. One limitation Sir Narasimha continued, was that the Civil Medical Services should absorb the military reserve. He gave figures

to show that the number that had to be absorbed by the Provincial Governments was not very large, and moreover, the absorption should prove a source of immense strength and benefit to the Civil Medical Services themselves because the House had practically accepted that the Civil Medical Officer should, as far as possible, be ready to undertake the duties of going into the field in case of necessity, and it would therefore be helpful to have a small leaven of officers who had had the necessary training and discipline. Yet another reason in favour of the absorption was that, although in the past there had been no contract, the position of the Medical Services, their constitution, and the staffing of the hospitals had been such as to secure suitable and adequate provision for British Officers and their families. The Member for Education, Health and Lands recognised that there was a good deal of feeling that racial considerations were being imported into this question, but he assured the House that there was absolutely no foundation for that belief. They could absorb with great utility and great economy a small war reserve and from that reserve they could meet the needs of the European Services and their families. In the light of the figures he had given Sir Narasimha claimed that the acceptance of these propositions did not mean much and did not imply at all any racial discrimination. Scrutinising further the needs of the recruitment of the Army, the Member for Education, Health and Lands stated that the figures gave the most gloomy aspect with regard to the recruitment of British Medical Officers. Since 1915 there had been no open competitive examination, and during the last two years they had not been able to secure a single British medical recruit, except on special terms, for the Indian Medical Service. The Royal Army Medical Corps wanted 30 men for their commissioned ranks this year but they could not get more than 4 candidates. It was, therefore, essential that nothing should be done which would further dissuade recruits from entering the Army Medical Services. The problem had to be investigated with the aid of Local Governments, the War Office and the Army. He therefore asked the House for the acceptance in principle of the constitution of the Civil Medical Service subject to further examination as to what might have to be done in the interests of recruitment of British Medical Officers for the Army. "The position will be brighter, better and in no way worse from the Indian point of view under the proposals I have discussed, and I hope therefore that the Council will see the utility and wisdom of not rejecting the recommendations of the Lee Commission, which rejection will lead them nowhere, which might easily lead to a continuance of the *status quo*—and I may assure you that there are many who would not in the slightest degree object to the maintenance of the *status quo*, who would indeed be only too glad because they believe that these changes are leading us on the wrong track." Sir Sivaswamy Aiyar did not favour the wholesale rejection of the proposals and was prepared to lend a sympathetic ear to the grievances of the Services. While there was a connection between the organisation of the Services and constitutional reform, he did not desire to touch upon the latter issue. He felt that the House had a right to see that the question of constitutional advance was not prejudiced by decisions regarding the Services. Sir Sivaswamy argued that it was necessary to terminate European recruitment in the reserved Services and he saw no reason why all Services excepting the two Security Services should not be transferred. He did not favour the provincialisation of the Security Services, but thereby he did not mean to continue

European recruitment. The necessary minimum of European personnel was adequately safeguarded by the preponderance of Europeans in the existing cadre and the progress of Indianisation had been slow. He saw no reason why 50-50 basis should not be attained as early as possible, and even if European recruitment were to cease at once the process would occupy ten years. During this period constitutional changes were inevitable. Was it fair, asked Sir Sivaswamy, either to the recruits or to the country that recruitment in England should be continued? In connection with the Medical Service, he put forward a series of proposals and did not approve of the suggestion regarding the Royal Army Medical Corps whose policy towards Indians was notoriously hostile. He accepted the idea of a Civil Provincial Medical Service and the need for a military reserve, but he asked if it was necessary that this reserve should be confined to the Indian Medical Service officers as already existing. He preferred that all Indian Medical Service officers should undergo a course of training with the regular Army. Dealing with the provision of European medical attendance he declined to believe that it was sound to base the whole frame work of the Services upon a desire of this kind. In conclusion, he urged that the findings of the Commission should have great weight with the House and that the members of the Services were in great straits and deserved relief. Mr. E. Burdon stated that the Government had arrived at no conclusion regarding the proposed organisation of a Royal Army Medical Corps, or in regard to the structure of the proposed military reserve. He took the necessity of a military reserve as being an obvious consequence of the active service basis upon which the Army in India had always to be maintained. He also defended the station hospital system as being useful both in peace and in war, and added that reductions had been made in the number of beds as a matter of economy and were being continued. Diwan Bahadur T. Rangachariar referred to the difficulty of the interdependence of the recommendations of the Commission and attacked Government for considering the Lee Report as a verdict upon which it only remained to execute judgment. He declined to believe that His Majesty's Government would treat as worthless the opinions of the Legislature, but it appeared to Mr. Rangachariar that the Government of India had made up their minds and he reminded them that the members of the House owed a responsibility to the country. It was idle to ask the Assembly blindly to accept the verdict of the Commission. He cited figures in proof of his contention that the cost of the Superior Services was "intolerable." He maintained that the revision of pay in 1919-20 had imposed a heavy burden on the country and asked if it was really intended to increase that burden. He cited figures to show that the cost of living in 1924 was below that of 1919-20, a fact of which the Commission had apparently taken no account, and he failed to see any justification for the proposed increase. He did not believe that the relief of 1919-20 was based upon a high rate of exchange. He also protested against the failure of the Government to place before the House the evidence on which the Commission's recommendations were based. Grave issues were involved, and Mr. Rangachariar suggested that it was essential to devise some machinery to go into these questions more fully than the Commission had been able to do. Mr. Shunmukham Chetty said that the vested interests of the Services created a serious obstacle to responsible Government. By accident of historical circumstances the Services had come to constitute

a ruling class and he strongly attacked that system. He found in the Report a deep distrust of the Indian Legislature and a tendency to withdraw Services questions from their cognisance. He contended that the "compromise" among the members of the Commission really bound no one and the Indian member had missed the point in being satisfied with mere Indianisation. Mr. Shunmukham Chetty wanted a revision of the whole public service system and objected to the differentiation between Imperial and Provincial Services. He blamed the Indian officers for demanding the same conditions of pay as European officers, and though he admitted the need of a contented and well-organised service he said that in this country the Civil Service was the ruling class. Colonel Crawford differed from Pandit Motilal Nehru in the terms of his amendment and thought that the House should accept the Lee Report as it stood in order to show itself civilised and fit for fresh responsibilities. He controverted, point by point, the clauses of Mr. Nehru's amendment, citing from his own experience the financial difficulty to which officers of Government were exposed. Colonel Crawford added that non-official Europeans were dissatisfied with the proposals for Indianisation, but they were prepared to accept them on the condition that the Government put their own resolution into operation. He asserted that British officers were necessary in India because they were honest and impartial and the real voice of India demanded them. He defended the demand for the provision of European medical attendance and asked the House to rise to its responsibilities and treat the Services properly. Dr. Gour dealt with the genesis of the Commission and pointed out the alternative implications of constitutional reforms. He maintained that on these grounds the first Assembly had rejected the demand for the expenditure connected with the Commission. He objected to the failure of the Commission to publish the evidence upon which their findings were based and added that the pay and prospects of the Services could not be settled apart from a consideration of their future functions. The recommendations of the Lee Report, Dr. Gour observed, were impracticable because they were based upon transitory conditions and the Assembly was not in a position to come to a decision. He supported Pandit Motilal Nehru's amendment. Seth Govind Das opposed the Government resolution and remarked that the adoption of the proposals by the Assembly was unthinkable.

On the 12th September the debate was concluded. The first speaker that day, Mr. Calvert, speaking as President of the all-India Association of European Public Servants, appealed to the House for justice and not for generosity. He repudiated the idea that the concessions were a bribe and stated that the recommendations of the Commission had been received with disappointment. An admitted rise of 60 per cent. in prices had produced an alleviation only to the extent of from 6 to 10 per cent. The position of the Services was worse in India than at home. Taking the figures of 1875 Mr. Calvert showed that the pay after 25 years' service was then higher than it was now. All told, the total gain to the service emoluments was 8 per cent. during a period of 50 years. Sir Purshotamdas Thakurdas supported Pandit Motilal Nehru's amendment and appealed for a businesslike attitude. He appreciated the work of the Services; but he said that India had hitherto done well by them. Solemn warnings had been addressed by responsible persons regarding the danger of failing to alleviate the grievances of the Services, but those who had delivered the warnings had been obsessed with a

narrow standpoint. Turning to the Report, Sir Purshotamdas blamed the Indian Commissioners for having given way on questions of substance. He felt that it was the duty of the writers to have put forward their opinion, and instead of themselves having made the compromise, they should have left it to the Government and the Assembly. Sir Purshotamdas also commented adversely upon the suppression of evidence and mentioned various points on which it was practically nil. He examined the difference between Government and commercial service and challenged the justice of the comparison that the Commission had maintained. Sir Basil Blackett, in opposing Pandit Motilal Nehru's amendment, gave the following estimated cost distributed between the Government of India and the Provincial Governments which would occur if the recommendations of the Lee Commission were accepted in the form in which they had been made :—

	Lakhs.
Government of India	26
Madras	9.7
Bombay	9.7
Bengal	9.3
United Provinces	10.8
Punjab	9.1
Burma	10
Bihar and Orissa	4.9
Central Provinces	5.7
Assam	2.9

Sir Basil maintained that the figures which he had given in the case of the Provincial Governments might be taken as representing approximately the maximum cost of the proposals, and only in the case of the United Provinces would the additional cost exceed 10 lakhs. In the case of the Government of India the direct cost as estimated by the Commission might be put at 26 lakhs. A further 18 lakhs would arise under the head of Railways but this should come out of the railway earnings. The cost would be reduced if exchange remained above 1s. 4d. sterling. The Finance Member was prepared to take a figure of very little over 26 lakhs as the probable maximum charge on the budget on the civil side. It was difficult to tell what the indirect effect of this increase in the case of the military budget would be, but it would not prevent the established charges for the Army from being brought down in 1925-26 below the estimate for 1924-25. Thus in any case the additional expenditure which would fall on the budget for 1924-25 and succeeding years was a matter of lakhs and not of crores and it ought not to prove in any way unmanageable. In justifying the revision of pay recommended, the Finance Member controverted the statement that in 1919-20 for fixing the revision of the rates of pay, the rate of exchange had not been taken as the basis. He relied on the statements made by Lord Chelmsford and Mr. Montagu, by the former as late as the 31st July, 1924, and on his own examination of the files where it was definitely stated that the rise of the rupee to two shillings was held sufficient to justify refusing further increase in the pay and also to justify the abolition of the exchange compensation allowance without any corresponding addition to pay contrary to the proposal of the Islington Commission. There was a further statement that if the rupee should at any time fall the whole matter would have to be re-opened. The Finance Member also met

the suggestion that the present increases should be made temporary and not permanent by giving figures and pointing out that if the system of war bonus had been adopted in India towards the end of the War and if it had been based on some index number the additional expenditure on the pay of the Superior Services in the years after the War would have run into crores. The relief now proposed was overdue and more than overdue, and it was only in deference to the Indian financial conditions that it had been so long postponed at the cost of suffering to the Services. Dealing with the objection against the increase in the revision which had already been made, the Finance Member pointed out that it was largely accounted for by the increase under the revision of pay in the provincial cadres and asserted that if the basic pay rate were reduced an actual saving in the cost of the provincial cadres might be anticipated. The Finance Member felt that the use of the Bombay index number by opponents of the resolution, had been misleading because the revision of pay of the Services which had been made at the end of 1919 had been made on the basis of the recommendations put forward by the Government of India during the summer and early autumn of 1919. The Bombay index number for the cost of living for Europeans was 147 in October 1919, 158 in October 1920, 168 in July 1923, 165 in March 1924, and had since fallen to 162. But during the same period the rupee had fallen from just about 2s. in October 1919—it had even risen to 2s. 8d. for a short period in 1920—to a level of something below 1s. 3d., and it was now about 1s. 5½d. Taking the figures given by Diwan Bahadur Rangachariar himself, the cost of the pay and allowances of the Civil Service showed a rise from 572 lakhs to 667 lakhs, an increase of 17 per cent., while the increase in prices according to the Bombay index number was 65 per cent. It could hardly be maintained, in the face of these figures, that an increase was not long overdue. With regard to the objection which had been taken to the grant of passages, Sir Basil Blackett pointed out that passages were being given in Ceylon, in the Straits Settlements and Hong Kong, and showed that in making their recommendations the Lee Commission and the Government of India had examined the question of the pay of the Civil Service with reference to the statistics available as to the position in very many other countries. The present increases could not be made temporary because this matter had been carefully considered in 1918 and the proposal had eventually had to be dropped chiefly because of the enormous difficulty of getting an adequate index number. Moreover, other countries which had adopted the bonus system were now in most cases, converting the bonus increase into a basic pay, and the introduction of such a system here, the Finance Member thought, would not be valuable having regard to the difficulties of the index number, or important, having regard to the comparatively small fluctuations which were likely to occur in the next decade. Sir Basil Blackett examined at some length the terms of Mr. Nehru's amendment. Even if it was conceded that at one time the Government of India thought that it would be preferable to make enquiry by some other method than by a Royal Commission, the only point in question was as to what should be the method of enquiry and there never was any doubt that the problem of what should be paid to the Services must be taken up at an early date. The Finance Member failed to see any justification for the suggestion that the proposals involved the "perpetuation of an antiquated and anachronic system," nor was he able to admit that there had not been an attempt, and a

very large attempt, to reconstruct the administrative machinery. He equally failed to see any justification for the remark that the terms of reference to the Commission were based on the unwarranted assumption that the existing system would continue indefinitely. "The recommendations again and again speak of the further examination that will have to be made by the second Statutory Commission, and it is perfectly obvious that the recommendations are not intended to continue indefinitely but are intended to be, like the rest of the present constitution of India, transitional, and that revision must obviously come about at a comparatively early period.... I state categorically that the Lee proposals in the opinion of the Government of India do not in any way interfere with that question (constitutional advance)." Dealing with the suggestion that some of the recommendations were intended to deprive the Legislature of its existing powers by suggesting devices to make some items of expenditure non-votable, the Finance Member remarked that in the interests both of the Legislature and of the Services devices of this kind might be both desirable and necessary. "Precisely similar devices," said Sir Basil, "have been adopted by the British Parliament to deal with what may be called equivalent conditions." In regard to the complaint that racial discriminations had been introduced, Sir Basil Blackett said, "The discriminations which they have extended existed before. They have not been 'introduced' and they are not 'racial.' They are based on domicile. It is a defect rather than a merit of the previously existing system that the same pay and conditions of service were given to Indians as to Europeans, and it is in the interests both of Government and the Indian tax-payer that such discriminations should be increased and not diminished." In regard to the objection that the recommendations made an extraordinary provision that officers appointed to the All-India Services after 1919 should be given guarantees and the criticism directed against the use of phrases like "in principle" and "approximately" in the wording of the resolution, the Finance Member maintained that they showed that the Government were fulfilling both in the letter and in the spirit their promise to give an opportunity to the Assembly to discuss the proposals before they made their recommendations, and because they, along with the Secretary of State, repudiated the doctrine that every detail of the Report was sacrosanct. As to the complaint that the evidence taken by the Commission had not been placed before the Assembly, the Finance Member reminded that the evidence taken before the Inchcape Committee had never been placed before the Assembly, but in spite of that omission the Assembly had continued to press that Government should adopt every detail of that report. The Finance Member finally enquired if the stoppage of all recruitment outside India was demanded in the interests of the taxpayer, because they did not want to find the money for the new European recruit. "I have had figures worked out," said the Finance Member, "If there were no European recruitment in the next five years there would be a saving of two-fifths of the following figures—two-fifths because three-fifths of the new men will be Indians :—two-fifths of $3\frac{1}{2}$ lakhs in the first year, two-fifths of 7 lakhs in the second year, two-fifths of $10\frac{1}{2}$ in the third, two-fifths of 14 lakhs in the 4th, and two-fifths of $17\frac{1}{2}$ in the fifth year, a total of two-fifths of $52\frac{1}{2}$ lakhs or 21 lakhs in five years."

Sir Chimanlal Setalvad referred to the mistrust and misconception which existed on both sides. He observed that there was no hostility against the

personnel of the services, but only against the system. So long as the services remained on their present basis, India could get no closer to self-Government. The country desired public servants, not masters and arbiters of policy. From this point of view, Sir Chimanlal said, the Commission had been a failure. He attacked the failure to reduce the basic pay, and said that there was no disagreement upon the question of maintaining a British element in the services. But he feared that the Lee proposals would complicate future constitutional reforms, and he suggested that European recruitment should be stopped until the statutory revision of the constitution had taken place. He favoured the grant of relief to the services, and appealed to the House to agree to the proposals of the Commission on condition that recruitment from Europe for the present ceased.

Mr. Jamnadas Mehta criticized the scale of living among Europeans as extravagant, and contended that salaries ought to be reduced rather than augmented. He also urged that recruitment must be stopped.

Mr. Sykes disclaimed all pecuniary interest in the Report, but stated that his constituents believed that the Report of the Commission, with all its defects, should be adopted. He opposed the amendment, but maintained that the difference between the Home Member and Mr. Nehru was chiefly one of time. He thought Mr. Nehru was unduly optimistic in believing that responsible Government was coming very soon. It might take 10 years, and in the meantime the services undoubtedly deserved relief. Mr. Jinnah expressed his appreciation of the tone of the Home Member's speech. He said that the Moslems only wanted their just and fair rights, and he was glad to find that both the Government and the Hindu community recognized that fact. Mr. Jinnah joined in the protest against the appointment of the Commission, and asked the Government whether the Lee Commission's proposals were not an enormous obstacle to future constitutional advance. He demanded the reform of the system of the services without delay and the cessation of the control of the Secretary of State. Mr. Jinnah added that no member of the Opposition desired to be unfair or unjust to the services. But to his mind, there was no objection to the cessation, for a few years, of European recruitment. He complained of the lack of material and evidence, in the absence of which, he felt, the House could not accept the proposals of the Report. He urged that the House was prepared to adjust the grievances of the services, and it wanted a Committee which could sit at once. Mr. Jinnah also complained against the proposals of the Commission with regard to the medical services.

Mr. W. S. J. Willson denied connection between the Lee Report and constitutional advance and accepted the report as a fair judgment upon the issue. He observed that the services were undoubtedly suffering, and he tried to show how badly the Government servant fared as against the commercial employé. Europeans would long be wanted, but mainly to help to work the new constitution; and Mr. Willson said that the European commercial community demanded a strong and stable administration. He warned the Government that any sign of weakening on their part would lose them the support of his community. Mr. Willson pressed for the establishment of a Public Services Commission. Sardar Bahadur Captain Hira Singh attacked the Swarajist party for their opposition to the Lee Report. He claimed that India owed a great debt of gratitude to Englishmen, and she should not grudge

the concessions proposed in the Lee Report. Dr. S. K. Datta said that India had had a sad experience of Royal Commissions, and it was not to be wondered at that she regarded the Lee proposals with suspicion. Racial discrimination, Mr. Datta maintained, was at the root of all the present bitterness. He pressed for control over the recruitment of the services, and said that otherwise India could not get the public services she wanted. As a medical man, he objected to the racial discrimination implied in the Lee proposals, and he felt that it was fatal to tie up the medical profession to a service. While he believed that the demand for increased relief was well-founded, he felt that the question of control was fundamental, and therefore, he said that he had to support Mr. Nehru's amendment. He, however, appealed to the House to come together in a spirit of compromise and to find a middle way. Mr. Patel said that he did not change his view that the Report of the Lee Commission should be consigned to the waste paper basket. He referred to the disadvantages under which India had suffered from the rule of the services, and he blamed them for all the ills that had come over the country. He called upon the House not to waste its time over the Report. What the Assembly wanted, Mr. Patel continued, was the entire control over the services; and he supported Mr. Nehru's amendment because he thought that it really meant responsible government. He did not believe that Englishmen were necessary in India, but he was prepared to treat them well if they stayed as public servants. Mr. Patel said that Government were determined to do what they had in mind regardless of what the Assembly might vote. But he asked them to sit down with the popular representatives and to see what could be done. Maulvi Abul Kasem sounded a note of warning, and said that though he had listened to many expressions of sympathy for the Moslem cause from Government and from Hindus, he had often been disappointed. He desired Self-Government, but he could not ignore facts. Mr. Abul Kasem thought that the British element was a necessary evil so long as communal differences existed. He brushed aside some of the recent occurrences as mere mob fanaticism; but he cited the action of responsible Indian politicians in order to show how deep was the gulf which separated the two communities. Mr. Rangaswamy Aiyanger supported Mr. Nehru's amendment and strongly pressed for the cessation of European recruitment. He also referred to the high rates of pay enjoyed by the services and to the unduly exalted standards of living characterizing them. Maung Tok Kye asked for the reconstitution of the Burma services upon provincial lines, and for the transfer of all the services without reservation. He compared the salary of Indian Civilians with that of Japanese Cabinet Ministers, and dealt with various Burmese grievances. Khan Bahadur Sarfaraz Hussain Khan pleaded for the fair treatment of Indians, and controverted Mr. Abul Kasem's position. Mr. Hudson dealt with the grievances of the services and the necessity for relief. He appealed to the House to do justice to them. He had no quarrel with the desire of the House to control the services, but he felt that the apprehensions of the services must be met. Pandit Madan Mohan Malaviya appealed to Europeans to realize the Indian position. The salaries of European officers, he said, were unduly high, and the level of taxation was excessive. He asked if after the increases given in 1919-20 and the subsequent heavy additional taxation it was fair to press again for further increases. He further observed that the House had not been given any grounds

or voting the money. Mr. Malaviya appealed to Government to stop European recruitment, and said that if this was done, the House would be willing to consider legitimate grievances. He blamed the Government for its failure to educate the people above communal differences and to promote the interests of the depressed classes. He protested against the imputation that the Lee Report was being rejected wholesale and asked Government to present the popular view to the Secretary of State.

In winding up the debate, Sir Alexander Muddiman remarked that the recommendations of the Commission in respect of Indianisation constituted a great step forward, and he maintained that they did not offer any obstacle to further constitutional reform. He reassured Colonel Gidney as to the status of Anglo-Indians. He congratulated the House upon the tone and temper of the speeches. Dealing with European recruitment, the Home Member said :—" . . . As far as our responsibility is concerned, as long as we stand here, we cannot take any step which in our opinion would be either dangerous to the Services by proceeding with too rapid Indianisation or which would produce any deleterious or dangerous effect upon the country." He opposed the proposal for a Committee drawn from the House, because he did not believe that it was likely to come to wiser conclusions than a Royal Commission and because it would take time, which would further postpone the redress of the grievances of the services which had already been long delayed. The question being put, the House divided on the first part of Part I of the amendment, which was carried by 68 votes against 46. The remaining parts of Part I and Part II were carried without a division.

The debate on the proposals of the Lee Commission occupied the 15th and the 16th September in the Council of State. Sir Deva Prasad Sarva-

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dhikary, who followed Mr. Crerar, moved the following amendment :—

" This Council recommends to the Governor General in Council that it be represented to the Right Honourable the Secretary of State for India that pending the inquiries about Reforms and action that may be taken thereon, it is not desirable to give effect to the recommendations of the Lee Commission."

He stated that public opinion was satisfied that all that had been going on under the Government of India Act and the reform scheme was not in the best interests of the country, that drastic changes were needed, and that tension had been the order of the day which had led to the partial or complete failure of diarchy in some of the provinces. Sir Deva Prasad urged that in view of the present examination of reform measures which was going on and of the necessity of obtaining further public opinion on the recommendations of the Commission, Government should wait before undertaking large administrative changes affecting the uncertain future. He complained that for the first time under the recommendations of the Commission questions of pay, overseas allowance, exchange compensation, special privileges, medical attendance, etc., had been imported, which had certainly led to tension between the Indian and European sections; that for the first time in the superior services " a diarchy of colour " had been attempted to be introduced; and he maintained that that in itself was sufficient justification for rejecting the proposals. Proceeding, he observed that if the small measure of reform which had been introduced had created a flutter, it was not right to complicate future issues by bringing in those who would be even more dissatisfied because of the " worsening possibilities of the situation."

Mr. R. P. Karandikar cited the opinions of some of the Indian Members of Provincial Executive Councils and Ministers to show that all the recommendations were not acceptable to them. He supported Sir D. P. Sarvadhikary's amendment and said that it could never be accepted that India was for the services. Criticizing further the recommendations of the Report, Mr. Karandikar maintained that the Commission had violated the principle of reciprocity by taking no notice whatsoever of people, belonging to the colonies that did not extend to Indians the ordinary rights of British citizenship, coming out to India as rulers.

Sir Muhammad Shafi observed that the course suggested in the amendment, instead of accelerating constitutional progress, was calculated to retard it. Sir Muhammad remarked that the criticism in respect of the introduction of partial responsibility in Provincial Governments had been that, because of the position of the services, the transfer had been incomplete. By their recommendation that the appointment and control of the services operating in the transferred field should be placed in the hands of Provincial Governments the Commission had now removed the ground for that criticism, and to that extent the popular demand which had been put forward in all Indian political circles during the last four years was being met. Then, again, by the greater Indianization of the All-India services, which the Commission had recommended, they had met a public demand. Proceeding, the Law Member said that it was a disputable point whether administrative advance should precede constitutional advance or *vice versa*, and speaking for himself, he said that to him administrative capacity and experience were the corner stone of the constitutional edifice. "We have now a further administrative advance embodied in the Lee Commission's Report before us," said Sir Muhammad, "we and this House ought to earnestly request the Secretary of State to carry into effect the proposals now before us as soon as possible in order to pave the way for the next constitutional advance which may result from the inquiries of the Constitutional Committee." Sir Muhammad expressed his agreement with the sentiment expressed in another place that the members of the services should recognize that they were no longer the "*ma bap*" of the people. He thought they must look upon themselves as the *bhai-bhain* of the people; and he said that it necessarily followed from this that they should also look upon the members of the services as their real brothers and not as their step-brothers.

Mr. S. Vedomurti objected to the adoption of the recommendations because he felt that they were calculated to delay the advance of constitutional reforms, because they tended to deprive the Assembly in some respects of its legitimate rights, and because, he maintained, the proposed advance as regards Indianization was more specious than real. He particularly objected to the continuance of the Burma allowance, as a result of which the province had to bear an additional burden of ten lakhs a year. Sir Arthur Froom deprecated the attempt, which he thought had been made in the amendment, to take the debate into side issues, and supported the Resolution. In spite of certain omissions in the Report, which he regretted, Sir Arthur supported the recommendations and pressed strongly for the retention of the British element, from whom, he maintained, the high standard of the administration in the country emanated. Mr. G. Natesan felt that the Report of the Lee Commission had been placed before them at an inopportune time, and that it undoubtedly

perpetuated an anomalous system. He felt that Indianization could not be effected even to the extent of fifty per cent on the calculations arrived at by the Commission, and that if the proposals were accepted, it would greatly add to the existing difficulties. Mr. Natesan said that they were being asked to mortgage the future political destinies of the country, and out of regard for the actual condition of Indian finance, he opposed any increase in expenditure. Sardar Charanjit Singh opposed the amendment, considered the proposed increases absolutely essential for the contentment of the services and for purposes of good Government, and urged that postponement could only be achieved at the cost of good administration. Saiyid Padshah Sahib Bahadur supported the amendment. His Excellency the Commander-in-Chief assured the House that if they made any recommendations on the subject, they would receive the full consideration of Government. He referred to the peace and security in the country, which had been established by the services, and to the extent to which they had contributed towards the progress of the country. "Sir, I have never quite liked to regard the Services as a steel frame solid, efficient framework though they are: I have rather regarded them as the cement which has bound India together; and I for one think that without it India could never have reached the stage to which she has now come." He maintained that from his personal observation in villages he believed that there were an enormous number of those who were really thankful for the help, sympathy and kindness of those British officers who came to them in the guise of *ma bap*; and if the British officer were to be withdrawn, the fact would be regarded as a great betrayal on the part of those whom the people of the country had learned not only to trust but to love. Sir Deva Prasad Sarvadhikary's amendment was negatived without a division.

Mr. R. P. Karandikar moved the following amendment:—

"That for the original Resolution the following be substituted, namely:

"This Council recommends to the Governor General in Council that the several recommendations of the Lee Commission be referred to a Committee of both Houses, of which ten will be non-official elected Members of the Assembly and five of the non-official elected Members of the Council of State, all the fifteen being elected by the two Houses respectively, for consideration and report after review of all matters availed of by the Lee Commission and all such other matter, documentary and oral, as they in their discretion deem it necessary to call for, and, in the event of their favouring any of the recommendations, for an expression of their opinion as to how the extra cost due to such recommendations is to be met out of the public revenue, and that this report be due by the end of 1924.

(2) That until such report is further considered by both Houses, no action affecting the finances of the country be taken on the Lee Commission.

(3) That it is open to the Committee so appointed to make any other suggestions which in the interests of the ideal of self-government accepted for India they deem it desirable to make.

(4) That the Committee do appoint their own chairman and their own officers and that as a temporary measure and until such appointment the Secretary of the Legislative Department be the Secretary of such Committee."

Sir Muhammad Shafi felt that the reference of the matters again to a Committee of the House would serve no useful purpose and would merely delay a decision upon the problems which had been referred to the Commission, and he saw no necessity for postponing that decision. Sir Deva Prasad Sarvadhikary supported the amendment. Colonel Sir Umar Hayat Khan, Sir Maneckji Dadabhoy and Mr. Yamin Khan opposed it. The motion was negatived without a division. When the discussion was resumed in

the Council of State on the 16th, Mr. G. S. Khaparde moved the following amendment :—

“(a) That for the words and figures from ‘(1) that the following recommendations of the Royal Commission’ down to the end of paragraph (1) (b), the following be substituted, namely :—

(1) That in modification of the recommendations of the Royal Commission on the Superior Civil Services in India on the subject of the recruitment and control of the All-India Services, the following propositions be adopted, namely :—

(a) That every All-India Service, whether operating in the reserved or in the transferred field, should, so far as future recruits are concerned, be appointed and controlled by Local Governments :

(b) That recruitment for the All-India Services be so conducted as to produce at the earliest possible moment not exceeding ten years, a proportion of Indians to Europeans in each such service in the ratio of 75 to 25 per cent.”

Mr. Khaparde compared the Commissioners to Brahmins, and said that, like Brahmins, they had introduced a caste system into the services by dividing them into two parts, one having a domicile in England, and another in India, and had made proposals which were extravagant. He further said that the Commission had failed to explore the places from which the members of the All-India services could be spared, the possible reduction in their cadre, and the consequent reduction in expenditure. He saw no reason why an Indian member of the same service should get less than one of non-Indian domicile, and why a European official should insist on being treated by a European doctor. Sir Deva Prasad Sarvadhikary moved the following amendment to Mr. Khaparde's amendment :—

“For (a) (1) (b) the following words be substituted :

“That all recruitment in England for the various Services be for the present stopped.”

Sir Maneckji Dadabhoy opposed Sir Deva Prasad's amendment, because he felt that the stoppage of all European recruitment would be disastrous ; it would demoralize educational policy by interfering with the education of University men who were now undergoing training ; once recruitment was stopped, it would be impossible to revive it ; and the result would be the total elimination of the British element from the services, to which no sane man, looking to the present circumstances of the country, could possibly agree. Sardar Jogendra Singh, Mr. G. A. Natesan and Sir Zulfiqar Ali Khan supported Mr. Khaparde's amendment, Maharajah Shoshi Kanta Choudhury gave it a qualified support, and Sir Umar Hayat Khan and Raja Sir Rampal Singh opposed it. On behalf of Government, Mr. J. P. Thompson opposed the amendment. Dealing with the demand for further provincialization, Mr. Thompson said that so long as the Secretary of State retained responsibility, he must retain control of the all-India services which were operating in the reserved field. He examined the proposals in order to show that the new conditions would not in any way work hardly on the Indian members of the service. He gave figures to show that recruitment could not be so arranged as to leave at the end of ten years a residuum of 25 per cent. British officers, and he argued that this would be impossible unless some machinery was devised to eliminate about 24 members of the Civil Service each year over and above the normal losses from deaths and retirement. Dealing with the demand for the stoppage of recruitment, Mr. Thompson said that once it was stopped, it was bound to affect the prospects of recruitment, should it be necessary again to revive it ; that the Secretary of State was the only authority who could recruit men of the right stamp for the all-India services ; that through Local Governments

they would only get the wastage of England ; and that having regard to the fact that the Government of India drew from the provincial cadres of the all-India services the officers they needed for their own Secretariat and for other appointments under their control, it was neither right nor reasonable that the Government of India and the Central Legislature should be at the mercy of provincial standards. Coming to the rate of Indianization and the need for a British element, Mr. Thompson asked the House to realize that this question was in reality for India a question of insurance, and he felt that there was hardly a man who would seriously contest that India did want, and probably would always want, British soldiers and British administrators. Mr. Thompson went on to say that the decision as to whether these proposals were going to affect future recruitment rested neither with the House nor with the Government but with the youth of England ; and unless a change came over their attitude, Sir Deva Prasad might some day have the satisfaction of feeling that, though he was defeated on his amendment, after all destiny had been on his side. Sir Narasimha Sarma, in opposing the amendment, urged that nothing should be done to prevent all members of the Empire from competing on equal terms for service in India or elsewhere. Criticizing the argument that the British youth should not be tempted to come to India only to find that a little later they might be confronted with conditions which at present did not exist, Sir Narasimha Sarma said that the young men in England who were now competing for the services fully knew the conditions they had to face, and that they were coming to help India to evolve a constitution which would place her on a solid basis. As far as he could see, Sir Narasimha Sarma thought that even under a reformed system they would have British youths in their civil services, and it was necessary that they should get British recruits of the right type. Recruitment by competitive examination in England for the Indian Medical Service had had to be stopped because recruits were not forthcoming, and it was in order to prevent a similar breakdown of the competitive system for the other services that the concessions had been devised. Dealing with the demand for provincialization, Sir Narasimha Sarma urged that the all-India services operating in the reserved field could not be appointed by Local Governments, because that would mean the control of the reserved fields of activity by the people of India rather than by Parliament in England. Moreover, he said, under the existing constitution, even if the Government of India became the final authority, it could only be subject to the control of the Secretary of State, and therefore the Lee Commission had not gone wrong in the recommendations they had made. Both Mr. Khaparde's and Sir Deva Prasad Sarbadhikary's amendments were put to the vote and lost. Mr. S. Vedamurti moved the following amendment :—

“ That for the words ‘ approximately on the scale recommended ’ the following words be substituted :

‘ on the same terms and at the same rates as at present but that the Burma allowance should be discontinued.’ ”

Mr. A. C. McWatters on behalf of the Services claimed that they should be given remuneration sufficient to keep them free from financial embarrassment and to ensure the flow of recruitment, on a reduced scale, of the quality which they had had in the past. He pointed to the rise in prices, and to the fact that the revision sanctioned in 1919-20 had been overclouded by the exchange situation, as justifying the revision which was now proposed. Dealing with

the recommendations of the Lee Commission, the Secretary in the Finance Department pointed out that taking into account the additions to pay, remittance concessions and the grant of passages, the increase recommended worked out for the Indian Civil Service at 12 per cent., for other Services 16 per cent., and for the Police 21 per cent., and it was hardly necessary to put up an elaborate or detailed defence of these increases, beyond pointing out that in recent years the Colonial Services had, in comparison with Indian, been much more generously treated. Regarding the complaint against the continuance of the Burma allowance, Mr. McWatters said that it was within the power of the Local Government to grant or not to grant those allowances and the plea should be addressed to them. Mr. Yamin Khan moved the following amendment:—

That at the end of the Resolution the following clause be added:—

“4. That in any scheme of the Indianisation of the Superior Services that may finally be adopted, a provision be made that one-third of such appointments be reserved for Mussalmans in all Provinces except the Punjab and the North-West Frontier Province, and that as long as that proportion in each Service is not secured, Mussalmans should be recruited in larger numbers in order to bring their number to a third at an early date.”

This was supported by Maulvi Abdul Karim and Colonel Nawab Sir Umar Hayat Khan and opposed by Sardar Jogendra Singh. Mr. J. P. Thompson said that the Government could not accept an amendment of such far-reaching importance without consulting the Provincial Governments concerned, and the rigid percentage which had been suggested could hardly be made applicable to the different circumstances of the various Provinces. Mr. R. P. Karandikar assured the Mover that the Lucknow compact would be followed and Saiyid Mohamed Padshah Sahib Bahadur expressed his confidence that his fellow-countrymen were quite prepared to concede what was really due to the Mussalman community. Sir Zulfikar Ali Khan asked the Government to keep in mind the sentiments of the Muhammadan community in the matter. Mr. Crerar endorsed the observations which had been made by Mr. Thompson and said that it was necessarily a matter on which the Government of India could not commit themselves definitely to any rigid formula without a full consultation with Provincial Governments. Mr. Yamin Khan thereupon withdrew his amendment. All the amendments having been disposed of, discussion was continued on the main resolution. Mr. Lalubhai Samaldas said, if the constitutional position enunciated by Mr. Thompson was correct where was the necessity of getting the Council to agree to the first portion of the resolution? He did not desire the cessation of recruitment in England because he felt the country wanted the advice and the guidance of English officers, and asked for the creation of a feeling of mutual confidence both inside and outside the House. Dr. Dwarkanath Mitter paid a tribute to the services which had been rendered to India by the British officers and felt that it would not be right to refuse to the Services the relief which had been promised by the Commission. Colonel Nawab Sir Umar Hayat Khan appealed to the House to rise to the occasion and to pass the resolution unanimously. Mr. J. W. A. Bell said that a large body of public opinion in the country, both Indian and European, believed that the proposals of the Lee Commission had in certain matters, such as Indianisation, reached the border line of safety. Diwan Bahadur Ramabhadra Naidu felt that it would be unwise to reject the recommendations of the Royal Commission. The resolution was put part

by part and then as a whole and was adopted by the House without a division.

The growing interest that the Indian Legislature takes in matters other than political again manifested itself during the last session in financial and economic questions which formed the subject of resolutions. On the 9th September Sir Maneckji Dadabhoy moved in the Council of State the following resolution :—

“ That this Council recommends to the Governor General in Council that the Government be pleased to take steps to introduce suitable legislation at an early date to provide for an annual provision for the reduction or avoidance of public debt.”

Sir Maneckji said that the total national debt stood at Rs. 917 crores of which Rs. 362·92 represented the rupee loan and treasury bills, Rs. 393 crores re-

Avoidance of Public Debt. presented the sterling debt, and Rs. 73 crores represented the unfunded debt, while the capital value of the liabilities undergoing redemption by way of railway annuities and the like amounted to Rs. 90·14 crores. Sir Maneckji recognised that compared with many other nations India stood in a very favourable position; her national debt consisted largely of monies spent on the construction of railways, irrigation canals and other important public works, but in order that they should improve their position in the future that their borrowings might be based on a proper and satisfactory principle and that a sort of systematisation might be approached and accomplished he had brought forward the resolution. He maintained that the Government had made no methodic, regular or systematic provision for the payment of the national loans and though this course might not have been necessary in earlier years, after 1910 their national debt had reached a figure which could not, consistently with sound finance, allow the continuance of the present policy. The discussion was continued on the 11th September. Mr. J. W. A. Bell supported the resolution, while Dr. Dwarkanath Mitter thought that the time was not opportune for the introduction of legislation when year after year they had had to face deficit budgets. Sir Arthur Froom said that he would be satisfied with an undertaking from the Finance Department that a definite system for the redemption of national debt would be adopted and pursued. Mr. G. A. Natesan thought that it would be a pity to introduce such legislation in the present state of the financial affairs of the country. Mr. A. C. McWatters said that the Government of India were in entire agreement with the main principle of the resolution, namely that there should be a comprehensive programme for the redemption of the public debt, taking into account the Government's liabilities as a whole, and that the programme should be based on principle and not on chance. The Government of India had already been in communication with the Secretary of State on this question and the Secretary in the Finance Department informed the House that a complete agreement had been reached. Some minor details remained unsettled, but a Government resolution would shortly be issued in which a definite scheme of debt redemption to cover the next five years would be laid down. Mr. McWatters denied that the scheme would involve the country in new taxation on the other hand, incidentally, it might improve its credit and help to reduce the borrowing rates and interest charges to the benefit of the tax-payer. After giving reasons to show why it was undesirable at

the present time to embody these proposals in legislation he moved the following amendment to the resolution :—

“ That in place of the words “ suitable legislation ” the words “ *a considered programme* ” be substituted.

Sir Dinshaw Wacha extended his approval to the amendment. Sir Deva Prasad Sarvadhikary asked the Government to give a guarantee that the present “ inconvenient and oppressive ” taxation shall be reduced and more money shall be found for the nation-building departments. Sir Maneckji Dadabhoy accepted the amendment moved by the Secretary in the Finance Department and the resolution as amended was carried.

On the 17th September 1924 Sardar Jogendra Singh moved in the Council of State the following resolution :—

“ That this Council recommends to the Governor General in Council that a representative of the producers may be appointed on the proposed Committee which is to inquire regarding taxation.”

The mover observed that the Committee was one of the most important which had been appointed in recent times and that it particularly concerned the agri-

Taxation Committee.

culturists because new canons of taxation were to be evolved and land revenue was to be judged by them. He apprehended that the Committee was not likely to reach right conclusions because it had not on it experts in agriculture and revenue, and he pressed for the appointment of at least one member of the agricultural community in order that he might be able to represent the agricultural interests; to show the Committee how the land revenue problem affected them, to work out the averages, and to lead them on to find out the average holding and the average cost of production, and to determine the surplus. Mr. A. C. McWatters said that the Committee had been deliberately limited in its scope and therefore in numbers in order that it should be a practical enquiry into the technology of taxation which would give practical results at an early date. If a wider Committee were appointed, the representatives of various specialised interests might possibly find a place but on this small Committee, if agriculturists were represented there would be quite a legitimate claim for seats from other bodies of tax-payers, such as, commerce, industry mining, etc. Government did not want the Committee to be widely extended in numbers, nor did they want it to undertake an enquiry which might be indefinitely prolonged. Therefore, he asked the House to leave the personnel of the Committee as it stood. Colonel Nawab Sir Umar Hayat Khan opposed the resolution. He felt that nobody was going to do anything for the agriculturists. Sir Zulfikar Ali Khan and Mr. G. S. Khaparde supported the resolution. Sir Muhammad Shafi pointed out that by the appointment of Dr. Hyder, who belonged to a very important agricultural community in the Punjab, Government had already cured the omission on which the resolution was based. Mr. Yamin Khan, Mr. R. P. Karandikar, Raja Sir Rampal Singh, Sir Arthur Froom, Dr. Dwarkanath Mitter, and Mr. J. W. A. Bell joined in supporting the resolution. Mr. McWatters announced that he had been extremely impressed by the unanimity of opinion among non-official members and that he did not propose to press further the Government objection to the resolution. The resolution was adopted. But Sir Muhammad Shafi made it clear that the Government's acceptance of the resolution left open

for consideration the form which the representation might take whether by direct appointment to the Committee or by co-opting representatives from various provinces.

Taxation and Economic Enquiry. On the 18th September Mr. K. Rama Aiyangar moved in the Legislative Assembly :—

“ This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income.”

He quoted extracts from the proceedings of the Council of State on the 23rd July 1923 when Sir Maneckji Dadabhoy's Resolution asking for an inquiry into the whole system of taxation in India with a view to its thorough examination on an economic, equitable and scientific basis, with special regard to the taxable capacity of the people, had been discussed, and argued that the mover of that Resolution had insisted on an economic inquiry as a condition precedent to the taxation inquiry, and that the Government had at that stage agreed to accept that Resolution because they considered that the incidence of taxation was one of the grave questions which it was necessary to determine by inquiry. Further consideration of that Resolution had been postponed pending the receipt of replies to inquiries which had been addressed to Local Governments. Later on, on the 4th February 1924 when Mr. Sethna moved his Resolution for a full and detailed survey of the economic conditions of India, the announcement relating to the Taxation Committee was made and practically what Mr. Rama Aiyangar now demanded had been conceded by Members on behalf of Government. All he was now asking was that the task should be done more thoroughly, that the inquiry should be more complete. Finally, Mr. Rama Aiyangar objected to the terms of reference because there had not been any response to the Resolution in the Council of State, in that the principles of land revenue settlement and the necessity for putting a limit to enhancement at each new settlement had not been included, and commercial monopolies like railways, posts and telegraphs and public debt had been omitted from the scope of the enquiry. It was essential that all these questions should be gone into in order to find out the national resources and the average income per head of the population. Mr. Venkata-patiraju dwelt on the increasing poverty of India under British rule and claimed that all civilized nations had made inquiries leading to estimates of national wealth and income. Sir Basil Blackett assured the House that there had been no change in the attitude of Government. The taxation inquiry was conceived in his own mind, shortly after his arrival in India, and subsequent to Sir Maneckji Dadabhoy's Resolution in the Council of State the matter was discussed with Provincial Governments, and later on in November 1923 at a conference of the Finance Members of India when the terms of reference, which were actually drafted by a Committee of Finance Members, were unanimously agreed to. The proposal for the Committee, its terms of reference, and an estimate of its cost were approved by the Standing Finance Committee and the proposal was placed before the Assembly among the Demands for Grants, and this particular grant was passed without discussion, and no notice for its omission was ever given. The Government were therefore fully entitled to the view that the Assembly had not only accepted the desirability of the Committee but wished to proceed with it. The Finance Member inquired

as to what change had, since occurred. The Government had proceeded in accordance with the directions of the Assembly; they were taking advantage of the presence in England of the prospective Chairman and Secretary of the Committee as well as the members from Somerset House and the Inland Revenue Department in England to examine the condition of affairs in some European countries and avoiding the necessity of expenditure for the Government of India until the Committee met in the cold weather. Statistics in India were under preparation, and Local Governments had been circularized with a view to the collection of data. The Finance Member said that it was not in accordance with the dignity of the House that it should now turn round and recommend a reversal of its own deliberate decision taken six months ago. As regards the proposed economic inquiry, after their acceptance of Sir Maneckji Dadabhoy's Resolution in the Council of State, the Government had consulted Local Governments, but all the replies had not so far been received, and therefore no final conclusion could be arrived at. Indeed, the replies hitherto received strongly suggested that Local Governments did not desire an all-India inquiry. In this connection the Finance Member emphatically denied the suggestion that India had been made poor by the arrival of the British. "There is no foundation whatever," said the Finance Member, "for the historical statement, and I do not think that anybody is benefited by trying to drag into the discussion this sort of historical myth, which can merely serve to grace a perfervid peroration." The Government had every sympathy with the underlying purpose of the Resolution, but they were not prepared to commit themselves on the question of an all-India economic inquiry. In particular, Sir Basil continued, the Government could not agree that any Committee should waste its time in trying to obtain an average figure of the annual income of an Indian; he had very little belief in the value of such an estimate even in a country like England, where the estimates prepared on the same data for the same time by very well equipped economists frequently varied by something like 100 per cent. Further opposing the Resolution, the Finance Member remarked that the Taxation Committee had already been charged with making an extensive economic inquiry so far as it was necessary for the purposes of their investigation, and referred in some detail to its terms of reference in order to show how urgent was the need for the inquiry. "India has recently been given a reformed political constitution" said Sir Basil. "If that constitution is to progress, it is necessary that there should be an inquiry into the complicated subject of federal taxation, a subject which has proved a thorny one for every federal constitution in the world." The Finance Member emphatically denied that in appointing the Committee, the Government had had any intention of increasing taxation. Mr. V. J. Patel protested against the remark of Sir Basil Blackett that the statement that India had been impoverished by British rule was an obvious untruth. Mr. Patel wanted not merely to suspend the taxation inquiry but to dissolve it altogether, as he expected no other result from the Committee than a recommendation for the increase of taxation. He also objected to the personnel of the Committee, which, he thought, constituted a sure guarantee that the Finance Member, confronted with the loss of revenue from excise and opium and anxious to make up the loss, would get from it the recommendations he wanted. Mr. Patel claimed that the Government had been pressed for a number of years for an economic

inquiry, and their unwillingness to hold it showed that they feared ugly disclosures about the results of British rule in India. Mr. Goswami moved the following amendment:—

“That for the original Resolution the following be substituted; namely:—

‘That this Assembly recommends to the Governor General in Council, that he be pleased immediately to dissolve the present Taxation Inquiry Committee and instead thereof to institute a thorough inquiry into the economic condition of the various classes of the people of India, their income per head, their capacity to bear the existing burden of taxation, and the general resources of the country, through a representative Committee, at least two-thirds of which shall be elected by the Indian Legislative Assembly.’”

Mr. Chaman Lall dwelt on the poverty of India, which he attributed to British exploitation, and asked Government seriously to consider the question of the taxation of land values which had not been tried. Mr. Calvert explained what had been done in the Punjab in the direction of collecting materials for an economic inquiry, and reinforced the Finance Member's arguments against any attempt to determine the average income per head. He urged that the inquiry should be left to Local Governments, as the Government of India were not the proper agency for the purpose and the Assembly was not a proper body to select members for a committee for this inquiry, which could obviously be better conducted, if it was to be an all-India inquiry, by a body like the Indian Economic Association. Sir Sivaswamy Aiyer supported the demand for an economic inquiry, but explained that he did not want the present taxation inquiry to be stopped. He maintained that though the inquiry might take a long time, the result would be valuable, and there was no reason why Government should shrink from it, as he was confident that the results would in no way be damaging to their reputation. Sir Sivaswamy Aiyer did not desire to swell the revenues of Government merely for increased military expenditure or expenditure on the services, but he considered that the question of provincial contributions had to be solved as soon as possible, and this could not be done till the question of the readjustment of taxation had been properly investigated. Sardar Gulab Singh moved the following amendment:—

“In the amendment of Mr. Goswami, after the words ‘general resources of the country’ to insert the words:

‘and an investigation into the defects of the prevailing system of Land Revenue Assessment’.”

In support of it, he referred to the disadvantages of a permanent settlement and claimed that all the canons of taxation laid down by Adam Smith had been violated in the Indian system. Mr. Lloyd explained the importance and the urgency of the questions to which the Taxation Inquiry Committee would address themselves. He gave instances of the conflict of interest between the Central and the Provincial Governments and between the Provincial Governments themselves, which could only be solved by an open and impartial inquiry like the one entrusted to the Taxation Committee. He emphasised the fact that Government had no desire to shirk an economic inquiry. The only difference between them and the Opposition was as to the method. Government considered that the economic inquiry, if it was to be of any value, should be conducted through Provincial Governments. That proposed in the amendment, on the other hand, was apparently intended with the object of proving that the British administration had on the whole been an economic curse to India.

When the discussion on this Resolution was resumed on the 22nd September 1924, Mr. Chatterjee speaking, from the official Bench, regretted that the debate was developing into an acrimonious discussion as to whether the people were better off or worse than they had been at some imaginary and undetermined date in the past, and remarked that the chief concern of the Assembly was with the present. He failed to see any conflict between the two questions, namely, that the Taxation Inquiry Committee should proceed with their labours, and that there should be a general inquiry into the economic condition of the agricultural and labouring classes. Indeed he had the very greatest sympathy with the proposal for a general economic inquiry, but he felt that it should be made with the object of finding out the present condition of the masses and in order to discuss the methods for their improvement. But in order that the inquiry might be of value, it would have to be spread out over a large number of years, and it would need the services not only of Government officers but of a whole army of trained expert investigators, and it could not be undertaken without the co-operation of Provincial Governments and of many non-official Associations and individuals. He therefore asked the House not to come to a hasty decision. The Member for Industries and Labour denied that there was any justification for the assumption that the underlying object of the taxation inquiry was to increase the burden of taxation on the people of India. Mr. Narayan Das supported Sardar Gulab Singh's amendment, which was adopted.

Diwan Bahadur T. Rangachariar moved the following amendment:—

“That for the words ‘inquiry into’ the words ‘inquiry into the questions referred to that Committee and into’ be substituted.”

He wanted a larger Committee, including experts from the West, which would be able to appoint various Sub-Committees to go into various questions and to visit various provinces. He thought the inquiry undertaken by Government and that proposed in Mr. Goswami's amendment were inter-dependent and the Committee could be instructed to make interim reports so that urgent matters might be expeditiously disposed of. Mr. W. S. J. Willson quoted extracts from a report on an economic inquiry made in certain villages in Madras by Mr. Gilbert Slater, and controverted the statement that India was being progressively impoverished under British rule. Mr. Rangaswami Aiyangar thought that it was no use to evolve a scheme of federal finance before a federal system of Government was instituted. He complained bitterly that provincial finances were at present absolutely at the mercy of the Central Government and of the Secretary of State for India. He thought that there was no point in discussing schemes of finance until the whole system of finance set up by the Government of India Act had been put an end to, and he urged the House not to accept the inquiry proposed by Government. Pandit Madan Mohan Malaviya thought that taxation was a matter for the Legislature, and the opinions of a Committee of five would not be of much weight. He accused the Finance Department of having usurped the functions of the Legislature in appointing the Committee. Mr. Malaviya supported the demand for an all-India inquiry into the economic conditions of the people. Mr. Joshi was of opinion that the larger inquiry proposed in Mr. Goswami's amendment might take fifteen years. Though he did not approve entirely of the personnel of the Taxation Inquiry Committee, he was very glad that the inquiry had been undertaken. He was afraid, however, of an alliance between the Govern-



ment and the representatives of the people as a result of which, as had happened last year, the poor might be more heavily taxed. Mr. Joshi desired that it should first be ascertained what classes of people ought to be exempt from all taxation, and for that purpose an economic inquiry was necessary; but he saw no reason why the taxation inquiry should be dropped. Diwan Bahadur Ramachandra Rao emphasised the importance of the second term of reference to the Committee, as the present system of taxation and the division between central, provincial and local spheres of taxation were very imperfect. He hoped that one of the points the Committee would undertake would be a complete re-examination of the basic principles of the Meston settlement. Mr. Jinnah moved the following amendment, which he claimed had the support of a large body of influential opinion in the House.

"This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and appoint instead a Committee of non-officials and experts, in consultation with the leaders of the parties in the Legislative Assembly, to institute a thorough inquiry into and report on the following matters (with power to them to make an *ad interim* report):

1. The economic condition of the various classes of the people of India;
2. Their income per head;
3. Their capacity to bear the existing burden of taxation (including land revenue);
4. The general resources of the country;
5. The manner in which the burden of taxation is distributed at present between the different classes of the population;
6. Whether the whole scheme of taxation—central, provincial and local,—is equitable and in accordance with economic principles; if not, in which respects it is defective;
7. The suitability of alternative sources of taxation without increasing the present level,
8. The machinery required for the imposition, assessment, and collection of the taxes, old and new; and
- 9 The general financial and economic effects of the proposals."

Mr. Jinnah was absolutely definite that the present Taxation Committee should be dissolved, and that if the House allowed it to continue, the implication would be that the House favoured the idea of new taxes being imposed upon the people of the country. Mr. Goswami withdrew his amendment in favour of Mr. Jinnah's. Pandit Motilal Nehru desired to modify Mr. Jinnah's amendment in one respect, namely, that the Committee should be appointed by the House instead of being appointed in consultation with the Leaders in the House. The Home Member pointed out that it was unconstitutional for the Legislature to appoint an executive Committee, and that to entrust to it, without consulting Local Governments and the other parties concerned, an inquiry into all forms of taxation, central, provincial and municipal—could not find favour with the advocates of provincial autonomy. The President ruled that Mr. Nehru's proposed modification was covered by Mr. Goswami's amendment, which had already been withdrawn. While accepting Mr. Jinnah's amendment Mr. Rama Aiyangar claimed that the Government had originally undertaken to institute a much fuller inquiry than was now contemplated, almost equivalent to the one he had proposed, and that they should not have changed the scope of the inquiry. He maintained that the work entrusted to the Taxation Inquiry Committee could be more expeditiously done by a conference of Finance Members. Sir Basil Blackett emphatically denied the charge that the Government had changed their mind and altered or restricted the scope of the inquiry. Dealing with Mr. Jinnah's amendment, the Finance Member thought that the part about the "suitability of alternative sources of taxation without increasing the present level"

was an improvement, and said that he would be glad to accept it, though it was a little too late to incorporate it in the terms of reference which had already been announced. He defended the personnel of the Committee and maintained that in choosing it the Executive had acted in accordance with their proper functions. The Finance Member observed that a really authoritative inquiry into economic conditions in India was one of the "great desiderata," and said the Government did not at all desire to oppose it; only they were doubtful as to whether it could properly be undertaken by a Central Government committee. "The fact is," said the Finance Member, "that these two subjects—the taxation inquiry and the economic inquiry—touch each other on the fringe of the same general subject, the economic condition of the people of India, but are only very partially inter-connected"; and he saw no reason why the proposed Taxation Inquiry Committee should be dissolved. On Mr. Jinnah's amendment being put to the House, it was carried by 60 votes against 42.

On the 22nd September 1924, Mr. Kasturbhai Lalbhai's resolution regarding the abolition of the cotton excise duty, which had been adjourned from the 20th March 1924, came up for discussion.

Cotton Excise Duty.

The resolution ran as follows:—

"That this Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by a majority of the Indian Members on the Indian Fiscal Commission and to be pleased to direct the Tariff Board to further examine the question of protection to the Indian cotton mill industry at an early date."

Mr. Kasturbhai Lalbhai traced the history of this duty and urged that the Government of India had already, more than once, accepted the principle of the abolition of this duty, both prior to their acceptance of the principles of protection and also subsequent to it. He contended that official memory in the redemption of pledges was short and in a Court of law he would have immediately got judgment in his favour. He argued that the duty was undesirable according to the accepted canons of sound taxation and that the country had been steadily losing the foreign markets in China, East Africa and other countries. Pandit Shamlal Nehru, Rao Sahib M. Harbilas Sarda and Mr. M. K. Acharya supported the resolution. Mr. Ahmed Ali Khan supported the first part of the resolution but declined to support the second on the ground that the cotton mills were well in a position to look after themselves and did not need the assistance of a tariff wall. On the debate being resumed on the 24th September 1924, Mr. Harchandrai Vishindas dealing with the previous occasions on which it had come up for discussion before the Legislature said that, if the members of Government had been allowed to vote according to their conscience, the non-official resolutions on the subject would have been carried by a majority. He relied on Lord Hardinge's promise that as soon as the war was over, and the financial condition permitted it, this question would be taken up. Dealing with the objection that the duty, if abolished, would lead to a loss of two crores of rupees to the revenue, Mr. Harchandrai Vishindas thought that it was easy for the Government to manipulate the finances in such a manner as to find this money. Mr. K. C. Neogy moved the following amendment:—

That all the words after the words "Indian Fiscal Commission" be omitted.

He vigorously criticised the excise duty and expressed the hope that when Indian opinion was unanimous in condemning it as unjust and iniquitous.

Government would find no difficulty in abolishing it. Mr. Neogy justified his amendment on the ground that in the interests of the main question it was desirable to circumscribe the scope of the debate and to leave the second part of the resolution to be debated on some further occasion. Sir Charles Innes began by saying, "I say that there is no Britisher in India who does not regret that this tax was ever put on, and I say with confidence that that is the feeling of every one of us on this side of the House. Also, Sir, I should like to say that we on this side of the House recognise that there is a natural desire on the part of Indians that the Cotton Excise Duties Act should disappear from the face of the statute-book." But though the tax had done great political harm Sir Charles did not believe that it had seriously harmed the Bombay cotton industry. Between 1896 and 1923 the number of mills in India had increased from 157 to 333; the capital from Rs. 13½ crores to 43 crores; the looms from 37,000 to 145,000; and spindles from less than 4,000,000 to approximately 8,000,000. The tax of 3½ per cent. was so small that the Commerce Member could not believe that it had hampered to any appreciable degree the progress of the industry. Continuing, Sir Charles Innes observed that if the first part of the resolution was accepted the immediate effect of it would be to increase the protection enjoyed by the cotton mill industry from 7½ to 11 per cent. In connection with the demand for protection he referred to the recommendation of the Fiscal Commission which had suggested a reference to the Tariff Board in order to make good the loss of revenue the proposal involved, and opined that the present Legislative Assembly was not exactly distinguished for meeting the proposals of Government in a spirit of co-operation and sweet reasonableness. Sir Charles gave figures to show that while in 1914-15 the imports of yarn for consumption in India were 8 per cent., those for 1923-24 were 7 and this did not argue a strong case in favour of protection. In the matter of piece-goods, comparing the average of Indian mill production for the three years ending 1914-15 with that for 1923-24, the Indian mill production had increased by 45 per cent. and imports had decreased by 49 per cent., and in 1923-24 the local production had supplied 52 per cent. and imports 48 per cent. Sir Charles further showed that as between Lancashire and the Indian mills the field of competition was very small. The United States of America had practically dropped out and the only serious competitor in piece-goods which the Indian mills feared was Japan; but even here the Indian mills supplied 93 per cent. of the consumption in India and Japan less than 7 per cent. In those classes of goods which the Indian mills produced they had practically captured the whole of the Indian market, and therefore, Sir Charles doubted if even a *prima facie* case for protection for the mill industry in India had been made out. He reserved to himself the right, if the resolution was carried, or even earlier if necessary, to ask the Tariff Board to examine the whole case. But he asked the House to remember that the proper thing to do was not merely to take off the duty but also to reduce the import duty because that was the only way in which the consumer in India could benefit. Dealing with the first part of the resolution the Commerce Member pointed out that the Government had undertaken to abolish the duty "as soon as financial considerations permit," and not, as suggested, "at the earliest possible date." He emphatically denied that the duty was retained in the interests of Lancashire, and in support of this view he urged that the import duty had been raised to 7½ per cent. in

1917 and to 11 per cent. in 1921, while the excise duty had remained at 3½ per cent.; that Government had had to face large deficits year after year while the mill industry had been passing through a period of "absolutely phenomenal prosperity;" and that in not taking off the duty up to the present time Government had had behind them the full support of the Legislative Assembly. Then, the Government were committed to reducing the provincial contributions, and when the day of permanent disposable surplus arose, the Government of India and the Legislature would have to decide between these two claimants. Finally, the Commerce Member remarked that if the canon laid down by Adam Smith, namely, that "every tax ought to be so contrived as to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State," was applied, it would afford a very strong theoretical justification for the tax. "If you take off this tax to-morrow, you will not reduce the price of piece-goods by one anna," said Sir Charles, and by way of illustration he mentioned that though the high water mark of mill prosperity was reached in 1920-21 and 1921-22 the price of long cloth, which in 1913-14 was Rs. 0-10-3 a lb., in 1921-22 stood at Rs. 1-9-11. Concluding, Sir Charles Innes expressed his inability to accept the resolution in its present form because it went beyond the pledge the Government had given. Sir Purshotamdas Thakurdas supported both the resolution and Mr. Neogy's amendment and appealed to the House in the interests of justice for India, of the fair name of India, and of the dignity of the Government of India, to abolish the duty which, he thought, must go first; and then they should examine the question of a substitute if it was required for financial purposes. Sir Purshotamdas observed that there was no justification for talking of protection to cotton industry when that industry was "still groaning under the very obnoxious burden placed by this duty, which is unjust, inequitable, wicked" The cotton industry was not in an ideal position and there was a good deal of leeway to be made up. Sir Purshotamdas characterised the money obtained from the excise duty as "tainted money," and deprecated any recommendation "to the House to barter between what was the just due of Madras, the Punjab and Calcutta and this wicked duty, the immediate removal of which was the just due of the whole nation, irrespective of provinces or of any other differentiation." Diwan Bahadur M. Ramchandra Rao denied that there was any anxiety in the House to put money into the pockets of the millowners and said that after the abolition of the cotton excise duty if it became necessary to formulate proposals involving financial burdens, the House would be perfectly willing to look at them. Sir Basil Blackett acknowledged that the tax was not altogether desirable in its operation but maintained that it was less undesirable at the present time than it originally had been, because it had ceased to have any protective effect as regards Lancashire. He reminded the Assembly that it had a responsibility in the matter which it could not avoid because the abolition of this duty meant the taking away of Rs. 1½ crores from the revenues. Sir Basil mentioned various alternatives of taxation and remarked how none of them would be acceptable to the House. "It is quite obvious," said the Finance Member, "that this question whether the excise duty is to go first or the provincial contributions are to be begun to be reduced first comes before us in the form of a dilemma which we cannot avoid." Concluding his speech Sir Basil Blackett said "I do not for a moment contend that on political

grounds there is not a great deal to be said for this Resolution, but I do say that there are many other grounds on which it ought to be considered, and neither I, as the Finance Member, nor you as the Assembly, are justified in making a moral gesture at the possible expense of the people of India as a whole even if it is for the benefit of particular individuals." Colonel Crawford, opposing the resolution, suggested that the money obtained through the abolition of the cotton excise duty should go to the people. Pandit Madan Mohan Malaviya urged that it was in the interests of the people themselves that the millowner should be helped and encouraged to increase his manufacturing power and hoped that the resolution would be unanimously carried. Dr. L. K. Hyder said that as regards the incidence of taxation it was necessary for the House to recognise that what was obtained from the people should be spent for their benefit. Mr. H. G. Cocke supported the resolution and said that the tax was a tax on production of an article which was in use by the masses and that if it was taken off, though the consumer would not get the immediate benefit of it, there must be a tendency in that direction and that must in the end be the result. Mr. Kasturbhai Lalbhai accepted Mr. Neogy's amendment and said that if the mill industry in India had made profits, so had other industries, that the dividends earned by the Indian textile industry had returned to the community in one form or another, while those which the foreign competitors had made had been simply a drain on India. Dealing with the suggestion as to how the loss to the revenue was to be made good, Mr. Kasturbhai Lalbhai asked why the Government did not, if the revenue was indispensable, spread the burden equally over all industries. Sir Charles Innes characterised "as absolutely untrue" the suggestion that the tax was kept on for the benefit of Lancashire, and concluded, "If I defended the tax I defended it solely in order that when the House does come to consider the question it may consider it purely in a dispassionate manner.... There is no good trying to cloud the issue, trying to take this question away from the economic sphere altogether and bring it back to the political one. This House has got to stand up to its responsibilities to the people of India, and Sir, when the question does come to be decided I have no doubt but that they will." The resolution as amended was carried without a division in the following form :—

"That this Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by a majority of the Indian members of the Indian Fiscal Commission."

The grievances of Haj pilgrims and their economic distress did not escape the vigilant eye of the Legislature. On the 17th September Mr. Haroon Jaffer wanted to move in the Council of State a Resolution recommending that a Committee of officials and non-officials be appointed to consider the whole question of the difficulties and the grievances of the Haj pilgrims, and to suggest suitable remedies for the improvement of their position. But in view of the assurance he had had from Sir Narasimha Sarma that the latter would go immediately into the matter and would try and go to Bombay to find out difficulties and remedy them, the Resolution was not moved. On the same day the distress caused by the floods in the Madras Presidency formed the subject of a Resolution in the Council of State, and Mr. G. A. Natesan moved :—

"This Council recommends to the Governor General in Council that a sum of one crore of rupees be contributed by the Government of India as a free grant from central revenues to assist

in meeting the extraordinary expenditure that must inevitably be incurred by the Government of Madras in affording relief to those who have suffered from the floods which occurred in the southern and western portions of the Madras Presidency in the month of July last, and in repairing the extensive damage that has been caused throughout a considerable portion of the Presidency."

The mover commented on the unprecedented nature of the floods and the widespread havoc which had resulted therefrom. Nearly half a lakh of houses

Floods in Madras.

had been destroyed, crops covering thousands of acres had been ruined, and large tracts of land had been rendered unfit for cultivation. Mr. S. Vedamurti urged that instead of a crore of rupees, the Government should be asked to contribute a substantial sum. Colonel Nawab Sir Umar Hayat Khan observed that people in the Punjab had also had floods and had similarly suffered, and the question deserved the serious consideration of Government. Mr. W. G. McFarland did not desire the Government to pledge themselves to the grant of a particular sum, but asked for an assurance that the demand of the Madras Government would be met with sympathy and consideration. Sir Narasimha Sarma expressed his deep sympathy with the distress which had been caused, and pointed out that constitutional and legal issues arising out of the relations of the Provincial and the Imperial Governments under the Reform scheme were involved. Famine relief measures were purely provincial, and the Government of India could not directly contribute out of central revenues for the purpose of relieving distress owing to famine conditions. But there was a trust fund for the relief of distress in famine-stricken areas which was under the control of a Committee, and Sir Narasimha said that if an application was addressed to the Committee, it would always be willing and ready to extend relief so far as the resources of that Fund permitted. The question was under the consideration of the Government of India, and they were prepared, on certain terms, to grant a loan to the Government of Madras. The Resolution was thereupon withdrawn.

Floods all over India engaged the attention of the Legislative Assembly
on the 24th September 1924, when Mr. Bhubana-
nanda Das moved the following Resolution :—

Floods in India.

"This Assembly recommends to the Governor General in Council that a committee of experts be immediately appointed to inquire into the causes of the recurring floods all over India and to advise the Central and Provincial Governments on the best remedies against such floods."

The mover asserted that floods were due mainly to human factors, and doubted if the Government of India, spending the rainy season on the heights of Simla, could ever imagine that floods happened in the country. He attributed the recurring floods in India to railway and similar embankments. With the advent of British rule, rivers had been forded, leading to the raising of river beds above the surrounding lands; on account of increasing roadways, the topography of the country had been intersected and interlaced into small areas, which were lakes in the rainy season and dry beds in the dry season; and irrigation works and canal embankments had been constructed which were obstructing the natural drainage of waterways. Mr. Mahmood Schamnad Sahib Bahadur, Maulvi Abul Kasem, and Mr. Amar Nath Dutt supported the Resolution. Kumar Ganganand Sinha also supported it, but wanted to make the two

following amendments :—“That after the word ‘experts’ be added the words, ‘possessing special knowledge and experience of the physical features of the different parts of India,’ and that after the words ‘all over India’ be inserted the words, ‘with special reference to railway embankments’.” Mr. C. D. M. Hindley expressed his sympathy with the objects of the mover, but opposed the Resolution. He repudiated the suggestion that the Government Benches had no knowledge of the effects of the floods on the country. On the question of floods generally, the Chief Commissioner for Railways observed that, with the comparatively limited knowledge of the history of the rainfall they had in different parts of the country, they were to some extent limited in the measures which could be taken to foresee and to prevent the effects of excessive rainfall. He doubted if the House realized that there were gradual changes in the beds of rivers for which there was very little scientific explanation, and that they were possibly due to changes on the surface of the earth which no human agency could affect. Then, again, there were other causes of floods, such as the confluences of large rivers which were flooded regardless of the existence of railway embankments; and agricultural operations themselves interfered very largely with the flow of water across the country. Road embankments, canal works, and railway embankments were also amongst the causes of floods. But Mr. Hindley maintained that from the very earliest times of railway construction the very greatest care had been taken to secure that as far as possible natural drainage should not be interfered with. Indeed, it could not have been otherwise, considering that in this respect the interests of railways and of agriculturists were the same. Moreover, section 11 of the Railway Act made it incumbent on railway administrations to make and maintain necessary accommodation works for waterways and other public requirements. The Government’s view was that where there was a local feeling that a railway embankment or a road embankment or any other work designed by the hand of man interfered with natural drainage causing damage to land and danger to the lives of the people, it was the business of the Local Governments primarily to take up the investigation; and under the constitution it was one of their functions and their duties which they would not wish to evade. And where railway embankments affected drainage, the Government were perfectly willing at any time to assist Local Governments in their inquiries by lending them special officers and engineers and by appointing a Committee. Mr. Hindley suggested that the matter be left with Government for the present, and that they would look into it generally to see whether it was necessary to address Local Governments with an invitation that they should assist them in any particular case in which they might be concerned. Diwan Bahadur Ramachandra Rao supported the Resolution. Mr. A. C. Chatterjee did not think that a Committee of the nature contemplated in the Resolution would terminate its labours for the next 25 years, and meanwhile a good many floods will have occurred and remained unremedied. To Mr. Hindley’s assurance the Member for Industries and Labour added that the Government of India would communicate with Local Governments, who were primarily interested in the matter. Mr. Chatterjee assured the House that the matter was receiving the attention of the Central Government and would continue to engage their attention in consultation with Provincial Governments. Mr. Bhubanananda Das thereupon withdrew the Resolution.

The proceedings of previous sessions of the Legislature show the interest it takes in railway matters in general and the comforts and conveniences of railway passengers in particular. In the latter respect a great field has already been covered, not without response from the authorities in charge of railway administration. Perhaps the rule preventing the same subject being discussed in the same terms by means of Resolutions within a year accounts for the absence in this session of any discussion connected with railway passengers, because the interpellations left no room for doubt that the great interest which has always been taken in this subject continued. Such railway matters as came up last session were of a different character. On the 22nd September Sardar Jogendra Singh moved the following Resolution in the Council of State :

" This Council recommends to the Governor General in Council that at least one competent Indian should be appointed *as early as possible* to the Railway Board taking into consideration the wide range of Railway activities."

While expressing the fullest possible confidence in the Commerce Member and paying a tribute to the manner in which the Railway Board had managed

Indian Member for the Railway Board.

the railways, the mover maintained that, with the rapid development of self-governing institutions and with the gathering of power in the hands of the legislatures, there was a great need for strengthening control and making the authorities materially and morally strong, and he thought that the larger association of Indians with the railways would lead to the strengthening of the railway management. Such a step, Sardar Jogendra Singh argued, would free from suspicion any proposals the Government of India might make for the efficient running of the Railway Department ; * it would meet the obvious necessity of avoiding a breakdown, which was apprehended unless a large body of politicians could come to grips with the railway problems of the administration ; and it would bring about harmony between the railway services and the legislatures. It would further help X in a great measure in accelerating the development of railway industries. Mr. G. L. Corbett emphasised the business aspect of the railway administration, told the House how this great commercial undertaking was directed and controlled, and observed that the Government of India were the directors and the Railway Board the technical managers. The officer described by the mover seemed to Mr. Corbett to be rather the Railway Member of the Government of India. He said that the policy and practice of the Government of India was to Indianize the railway services as a whole, but they could not undertake to Indianize any particular post within any particular time. The Board consisted of only four Members, and it was essential that each of them should be the best man they could get for the job. The time would surely come when the best man would be an Indian. But it must take time before Indians of the requisite standing and experience were available. He did not oppose the Resolution. Colonel Nawab Sir Umar Hayat Khan, Mr. J. W. Bell, Mr. G. A. Natesan and Maulvi Abdul Karim supported the Resolution, and the motion was adopted. On the 11th September 1924 Sardar Jogendra Singh moved :—

" That this Council recommends to the Governor General in Council that he may be pleased to allow a private company to purchase the East Indian Railway or Great Indian Peninsula Railway outright."

In support of the Resolution the mover urged that though State management could be as efficient as private management, there was always a change in the directorate every five years, and the need for encouraging private enterprise was greater than it had been in the past. If there was a Company which could be found suitable to take over one of the railways, it would be in the interests of the State to encourage that Company to do so, so that the State might take up the building of new railways. Moreover, when in democratic countries State management had not always been profitable, how could India expect that as soon as the State took over the railways, it would make them profitable? Sir Charles Innes recognised that most of the sentiments expressed by Sardar Jogendra Singh were absolutely unexceptionable, but he criticized the Resolution because he doubted whether at the particular period any useful purpose would be served by discussing in the abstract the question whether any particular railway should be transferred to Company management. The Commerce Member declined to admit that there was a large difference in the matter of efficiency between their State-managed and their Company-managed lines. But the dangers he apprehended in the former system would inevitably arise as India became more and more democratized, and the popular Assembly exercised more and more influence and control over the management of the railways. To guard against those dangers, it was proposed to separate the railway from the general finance; and it was in view of that danger that two years ago Government had made strenuous efforts to try and devise a workable system by which they might get the benefits of real Company management for these two railways. But as matters stood, the Government had taken no action at all in regard to exploring the possibility of handing over the East Indian Railway or the Great Indian Peninsula Railway to a private Company, and it would be an extremely difficult business to hand over either of these two railways to a real Company in India. It would be equally difficult to see that it would pay the country, at any rate for some time to come, to hand over those concerns to a private Company. Sir Deva Prasad Sarvādhikary expressed the fear that Company management in the innermost sense of the term would continue under the costly supervision of the bureaucratic Railway Board, and that ultimately want of success would compel the Government to devise some businesslike machinery for the purpose of saving the situation. The motion, on being put to the House, was negatived.

The most important subject connected with the Railways came up before the Legislative Assembly on the 17th September 1924 when the adjourned debate on the resolution regarding the separation of the railway from general finance was resumed. The resolution before the House which Sir Charles Innes had moved at Delhi on the 3rd March 1924 ran as follows :—

“ This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable the railways to carry out a continuous railway policy based on the necessity of making a definite return over a period of years to the State on the capital expended on railways :

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on railway earnings.

- (2) The contribution shall be a sum equal to five-sixths of 1 per cent. on the capital at charge of the railways (excluding capital contributed by Companies and Indian States and capital expenditure on strategic railways) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that if in any year railway revenues are insufficient to provide the percentage of five-sixths of 1 per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.
- From the contribution so fixed will be deducted the loss in working, and the interest on capital expenditure on strategic lines.
- (3) Any surplus profits that exist after payment of these charges shall be available for the railway administration to be utilised in—
- (a) forming reserves for—
 - (i) equalising dividends, that is to say, for securing the payment of the percentage contribution to the general revenues in lean years.
 - (ii) depreciation,
 - (iii) writing down and writing off capital:
 - (b) the improvement of services rendered to the public,
 - (c) the reduction of rates.
- (4) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (5) In accordance with present practice the figures of gross receipts and expenditure of railways will be included in the Budget Statement. The proposed expenditure will, as at present, be placed before the Legislative Assembly in the form of a demand for grants and on a separate day or days among the days allotted for the discussion of the demands for grants the Member in charge of Railways will make a general statement on railway accounts and working. Any reductions in the demand for grants for railway resulting from the vote of the Legislative Assembly will not enure to general revenues, *i.e.*, will not have the effect of increasing the fixed contribution for the year.
- (6) The Railway Department will place the estimates of railway expenditure before the Central Advisory Council on some date prior to the date for the discussion of the demand for grants for railways."

To this Sir Henry Moncrieff moved the following amendment :—

"That for the original Resolutions the following be substituted, namely :

This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues, on the money expended by the State on railways :—

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.
- (2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage on one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

- (3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve ; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.

- (4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital: and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.
- (5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (6) A Standing Finance Committee for Railways shall be constituted consisting of two nominated official members of the Legislative Assembly one of whom should be Chairman, and ten members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than two further nominated official members, five non-official members selected from a panel of eight elected by the Council of State from their body and five non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimates of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways.

- (7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget in order that more time may be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the detail it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.
- (8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years."

Sir Charles Innes reminded the House that on the last occasion that the matter came up it had been referred for examination by a committee. Within the time allowed they could not satisfy themselves fully as to the effect of the proposals, and the Committee had asked that the discussion be postponed till the current session. That Committee had now made its report but it was not unanimous. In dealing with the proposition before the House, the Commerce Member referred to the gigantic commercial undertaking the railways in India constituted and pointed out that it was impossible to remedy the existing evils so long as railway finance was dependent upon general finance. He quoted from the Acworth's Committee's Report to show the importance it had attached to this question. Since then, the House had secured to the railways the funds for the capital portion of their rehabilitation programme but the defect of the present system, namely, that there was no similar security in regard to the revenue portion, still continued. The "programme revenue expenditure" was not voted till March for the year beginning on the 1st April following and the delay in the financial grants was one reason why the railways usually found much difficulty in spending the grants they got for programme revenue expenditure. Their unexpended amounts merged in general revenues and no part of them came back to the railways; and under the present system it was quite impossible to make provision for arrears of renewals or arrears of depreciation. The Committee which had been appointed to go into the question had found that the arrears of renewals which had accrued during the War when the surpluses were taken by the general revenue amounted to no less than 18½ crores, and it was obvious that a system which allowed arrears to pile up so high was faulty. Yet another defect of the

present system was that it did not give those responsible for the running of railways any inducement to economise. Also there were no railway reserves which was particularly embarrassing to the railways, for prosperity depended upon the state of the season and the state of trade. Further, the present system led to violent fluctuations in the returns from railways which was inconvenient to the Finance Department. The objects which the reforms had in view were the abolition of a system of programme revenue voted for a year, the building up of railway reserves, and the introduction of a system of finance which, while maintaining unimpaired the control of the Assembly and ensuring to general revenues a fair return from the railway property, would be more suited to the needs of a vast commercial undertaking. The Commerce Member urged that while it was right and proper that the taxpayer should get a fair and suitable return from the monies spent on the railways, if the railways had to pay more than that fair return it would lead to a most vicious form of taxation, namely, a tax on transportation. These were some of the advantages in a convention which, the Commerce Member claimed, could be adjusted from time to time to varying needs and difficulties and to the ordered progress of the constitution.

Coming to the form of the contribution the railways should make, the Commerce Member said, "We propose that the contribution should be based on the capital at charge on commercial lines and that in addition general revenues should get a share of the surplus profits. That means that whatever new capital we put into this concern, you will always get from railway revenues not only the ordinary interest charges on that capital but one per cent. in addition." As regards the amount of contribution, the Government had met the wishes of the Committee and modified their original proposition with the result that the amount had been raised to 1 per cent. on the capital at charge *plus* one-fifth of the surplus profits, and in addition, they had agreed to the condition in clause (3) of the resolution that if the amount available for transfer to the railway reserve exceeded in any year Rs. 3 crores only two-thirds of the excess over the Rs. 3 crores should be transferred to the railway reserve, the remaining one-third accruing to the general revenues. It was proposed that the contribution should be based on the actuals of the penultimate year, but in respect of the current year it would be based on the actuals of last year because 1922-23 had been a bad year. The net contribution in the current year would be Rs. 5,19,19,000, which meant that as a result of the acceptance of the proposal of the Committee the railways would pay Rs. 73 lakhs more than was contemplated under the original suggestion. The Commerce Member asked the House to realise that according to their budget estimates in the current year their earnings would amount to 5.43 per cent. of the capital at charge and a return of $5\frac{1}{2}$ per cent. on property, afforded a very reasonable standard of revenue. He further asked the House to realise that in undertaking to pay dividend year by year they had taken the risk of the season and this afforded a further justification as to the sufficiency of the dividend. The depreciation fund would also enable Government to pay into it an yearly contribution based upon intelligible and scientific calculations and thus enable them to carry out another important reform which the Inchcape Committee had suggested, namely, the reallocation between capital and revenue so as to relieve temporarily, at any rate, the charge upon revenue.

Sir Charles Innes emphasised that if this fund was established everything that went into it and everything that came out of it would be subject to the vote of the Assembly and the same would be the case with the railway reserves. The reserves would enable them to make up for arrears of depreciation and to adopt a bolder railway policy. He emphatically denied that the proposals would in any way affect the control which the Assembly exercised over the railway finances or the influence that it thereby exercised on their policy. As regards the objection that the present reform would constitute an admission on the part of the Assembly that the railways were a commercial department and prevent them in future from pressing particular questions, such as Indianisation, the Commerce Member referred to the fact that though the Railway Board had for the last 15 months been working at the separation it did not raise any objection to the protection of Steel Industry in spite of the fact that that measure would increase railway expenses. He gave other instances of a similar character. On the other hand, the advantages of the reform lay in pointing the true direction in which the Assembly could enforce economy and efficiency under railways and in increasing rather than impairing the control of the Assembly. The Central Advisory Council was to be reorganised on a more popular basis ; the Government had agreed to the institution of a Standing Railway Finance Committee ; and as a result of the separation of the railway budget it would be possible to allow a longer time for discussion.

On behalf of the Nationalist Party of the Assembly Sir Purshotamdas Thakurdas moved the following amendment :—

Add the following as an additional clause to the amended Resolution :—

“ Clause 9. The above proposals be given effect to, provided the Government agree to the following :—

- (a) That no Railway Line now under State management and no Railway Line now managed by a Company whose contract may hereafter expire should be handed over to Company management without the previous approval of the Legislative Assembly ;
- (b) That the railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible.”

He urged that the House was justified in asking Government, in return for the powers contemplated under the resolution, to allow railways a full trial under State management and not to hand them over to company management, not even to “ real ” company management. On the question of Indianisation, Sir Purshotamdas said, “ It is true, Sir, that the Railways of India are very valuable and very important commercial enterprises but the public of India wish to look upon the Railways of India also as national assets and they agree to the commercial management of these Railways only as far as is compatible with their national aspirations and with their national advancement.” Sir Basil Blackett began by expressing his regret that the issue had become clouded. The resolution covered an administrative reform to which the Finance Member attached the very greatest importance. He said, “ The purposes of Railway separation are a stabilised budget, a stabilised railway revenue, the securing to the Railways of a real incentive to economise and to work on commercial lines, and the provision of the right conditions for maintenance of continuity in Railway policy and enabling rates and fares to be reduced the moment the opportunity arises and facilities to be increased without cost to the tax-payer.” In considering these proposals the House

had rightly concentrated on the amount of contribution and the control of the Assembly. As regards the former, the Finance Member confessed his preference for the smaller contribution the Government had originally proposed but he accepted the revised figure. He, however, asked the House to remember that if they asked for more the probability of an early reduction of rates and fares was postponed, and if they asked for less, that probability was increased. As regards control of the Assembly, it had been an essential part of the Government's proposals that the opportunities for discussion both by the Railway Standing Finance Committee and by the Assembly should be increased and the methods of exercising the control improved. But it had been pointed out that one of the results of the reform would be that in the event of a deficit the Assembly would not be able to exercise their power to meet it by a demand on the railways. "That, Sir, is perfectly true," said Sir Basil, "The Assembly are being asked—and the Government are proposing themselves, the Finance Department is proposing,—that the Assembly and the Government should lay down the proposition that taxation of communications is bad taxation, that in the event of additional taxation being required, which God forbid, that that should be imposed by some more desirable method than that of taxing the Railways." The questions raised in Sir Purshotamdas's amendment, namely, Indianisation, State management, and stores, Sir Basil thought, had strictly nothing whatever to do with the question of separation, but he reminded the House as to how far the Government had gone in respect of these matters. As regards Indianisation, the Assembly had no reason to complain against Government and they were at once with them in the matter of stores. As regards State management, it appeared to the Finance Member that it was entirely an unreal issue. Government were not willing to give an undertaking in the form asked for because it was not in the power of the Government of India to do it. But he could not conceive of any circumstances in which an Indian railway company with Indian capital would be willing to take over a State-managed line contrary to the wishes of the Assembly. If the House was really in favour of the separation of the finances, the Finance Member asked it to consider whether they were "really gaining anything by failing to get separation because they cannot get from us an undertaking which we cannot give." During the present transitional constitutional period, with the very best will in the world the Government were quite unable to go further than they had gone, and the result of the Assembly's attitude, the Finance Member thought, would be, "The tax-payer suffers, the user of the Railways suffers, the Assembly suffers and the Government suffer." Mr. K. C. Neogy strongly supported the amendment, Mr. H. G. Cocke thought that it was essential that the Railways should have the benefit of the profits for future developments, and did not favour the amendment. Mr. C. Duraiswami Aiyangar moved the following amendment :—

That at the end of the amendment moved by Sir Purshotamdas Thakurdas, the following clause be added :—

"(c) and further that the purchase of stores for the State railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India."

Dr. L. K. Hyder opposed the amendment. Mr. Jamnadas Mehta criticised the existing system and hoped that it would be possible to arrive at some understanding in order to relieve the railways from living from hand to mouth. Mr. C. D. M. Findley regretted that the debate had taken a definite political

turn and felt that the amendment laid down conditions which had no connection whatever with the proposals of Government. "The whole position is," said Mr. Hindley "from the practical point of view, that with a lapsing budget system as we have now, there is no possibility of carrying on a continuous business like that of railway management with any kind of efficiency or success." And he asserted that the potential insolvency which the Inchcape Committee had demonstrated had arisen out of the present system of finances. After dealing with the advantages of the proposed separation, the Chief Commissioner for Railways mentioned that he had been desirous of getting this proposal through because it would lead to much closer touch with the members of the Assembly who were interested in railway management and because he welcomed the possibility of having a longer period to discuss the railway budget in the House. Diwan Bahadur M. Ramachandra Rao said that in the amendment they were merely asking for the establishment of a convention that, when the Assembly and the Government of India were in agreement in regard to the leasing of any of these Railways, the Secretary of State should not intervene; and so long as the final power rested with the Secretary of State this demand afforded the only logical constitutional position the Assembly could take up. Mr. W. S. J. Willson remarked that the difference between the Government and the supporters of the amendment was largely a matter of words and the principles had practically been accepted. Pandit Madan Mohan Malaviya thought that it would be an evil day for the country if the railway management were entirely freed from the control of the Finance Department of the Government of India, and he expressed his satisfaction with the decision of Government to deal only with one change, namely, the separation of the railway from the general budget of the country. He supported the amendment. Sir Charles Innes recognised that the House was satisfied as to the advantages of the proposed separation and hoped that some settlement would be arrived at which would enable them to get rid of the small difficulty that had arisen. Whatever might have happened in the past, Government were now proceeding rapidly with Indianisation and the Commerce Member gave figures to show what had been done in the matter. He proposed the following amendment:—

That a new clause 9 be added to the amended resolution moved by Sir Henry Moncrieff Smith:—

"9. They shall hold good only so long as the East Indian Railway, Great Indian Peninsula Railway, and existing State-managed Railways remain under State management. In the event of negotiations for transferring any of the above Railways to a private company being undertaken, those negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly."

Sir Purshotamdas Thakurdas asked for time to consult his Party with regard to the amendment and the debate was adjourned till the 20th September 1924. When discussion on the subject was resumed, Sir Charles Innes explained that in the interval he had been in communication with his friends opposite and he proposed a revised amendment which, he thought, would satisfy all parties in the House. He therefore withdrew the former amendment and moved the following:—

That the following be added as clause 9 to the Resolution moved by Sir Henry Moncrieff Smith:—

"In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But

if in spite of the Assembly's resolution above referred to Government should enter on any negotiations for the transfer of any of the above Railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above Railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution."

To this amendment Diwan Bahadur M. Ramachandra Rao and Mr. K. C. Neogy respectively moved the following further amendments:—

To add as Part II of the Resolution:—

"Apart from the above convention this Assembly further recommends:—

- (i) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India."

That the following amendments be added to the Resolution:—

Clause (6)

- (i) For the words "two nominated official members of the Legislative Assembly one of whom", substitute the words "one nominated official member of the Legislative Assembly who";
- (ii) For the word "ten", substitute the word "eleven";
- (iii) For the words "two further nominated official members", substitute the words "one further nominated official member";
- (iv) For the word "five" wherever it occurs, substitute the word "six".

Both these amendments were accepted after Sir Charles Innes had again explained the position of Government in regard to the former amendment. On behalf of Mr. K. Rama Aiyangar, Diwan Bahadur M. Ramachandra Rao moved the following two amendments:—

That at the end of paragraph 2 of clause (6), the following be added:—

"and shall, as far as possible, instead of the expenditure programme revenue, show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue."

That in clause (7) for the words "in order that more time may be", the words "and separate days shall be" be substituted.

These amendments were also accepted by Government.

The resolution, as amended, was adopted in the following form:—

"This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues, on the money expended by the State on railways:—

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.
- (2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year plus one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

- (3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.

- (4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues : to provide, if necessary, for arrears of depreciation and for writing down and writing off capital : and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.
- (5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (6) A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be Chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight elected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimates of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue.

- (7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget and separate days shall be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the detail it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget if possible.
- (8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years.
- (9) In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But if in spite of the Assembly's Resolution above referred to Government should enter on any negotiations for the transfer of any of the above Railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above Railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution.

Apart from the above convention this Assembly further recommends :—

- (i) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India."

Before dealing with legislation it may be mentioned that the excess grants for 1922-23 and supplementary grants for 1924-25 came up before the Assembly

Excess and supplementary grants. on the 20th September 1924. Some of the items were discussed but all the demands were agreed

to as shown below.

	Rs.
Revenue	18,83,988
Capital	25,219
Advances	74,49,592
TOTAL	93,58,799

Supplementary grants for 1924-25.

	Rs.
Stamps	8,30,000
Ports	75,000
Zoological Survey	38,000
Agriculture	6,57,000
Commercial Intelligence.	1,01,000
Expenditure in England	70,000
TOTAL	17,71,000

Legislation.

A number of Bills were passed into law during the last legislative session and a good many were proceeded with but were pending final disposal when the session came to an end. A list of these is given in Appendices I and II.

Official Bills.

It is not possible to deal exhaustively with the provisions of the measures in what is intended to be a short survey for popular use; and the space devoted to legislation cannot, and does not, afford an index either to the importance of the measures or the attention they engaged. But it may be mentioned that the Legislative Assembly devoted six sittings, and the Council of State five, to the Bills which came up before them. The Home Member introduced a Bill to repeal certain enactments whereby breaches of contracts by labourers had been made punishable under the criminal law. Under sections 490 and 492 of the Indian Penal Code, breaches of contract in regard to service during a voyage or journey and in distant places are punishable. The Home Member felt that there was no longer any justification for retaining these provisions. A Bill to re-enact with amendments, and with extended scope as a permanent measure, the Indian Soldier's Litigation Act, 1918, which was passed to meet certain exigencies of service in the Indian Army during the great war, was passed by the Council of State. When it came up before the Assembly, Sir Sivaswamy Aiyer moved that it be referred to a Select Committee; the Home Member agreed to the suggestion, and it was adopted. A Bill to amend further the Indian Motor Vehicles Act, 1914, for certain purposes, which was brought in substantially with the object of enabling the police to maintain a more careful, accurate and expeditious control over breaches of the law relating to motor traffic, was passed by the Council of State and also by the Legislative Assembly. A Bill, entitled "the Indian Criminal Law Amendment Bill" and intended to amend the Indian Penal Code and the Code of Criminal Procedure for the purpose of affording greater protection to persons under the age of eighteen years, also came up before the Assembly, and the Report of the Select Committee was taken into consideration. Several amendments were moved, but they were rejected, and the Bill, as amended by the Select Committee, was passed by the Assembly. A Bill to give effect to certain articles of the International Convention for the suppression of the circulation of, and traffic in, obscene publications was passed by the Council of State; but when it came before the Assembly, an amendment which received the support of several Members, was moved to refer it to a Select Committee, and adopted. A Bill was brought in to amend and consolidate the law relating to Government and other Provident Funds in order to make more effective the purpose of the

existing Act, by conferring, with certain limitations, upon dependants as defined in the Bill the same privileges as were granted to the wives and children of deceased depositors, by making provisions to facilitate the disbursement of amounts not exceeding Rs. 5,000 and by making it obligatory that where nominations had once been made by a depositor, they could not be varied by testamentary disposition or otherwise. When the Bill came up before the Assembly, some amendments were moved, but except for one, they were all rejected. The one which was carried demanded the omission of a provision designed to remove doubts as to the right of the Government or the Railway in the case of Government and Railway Provident Funds respectively, to withhold from a subscriber who had been dismissed from service that portion of his provident fund which consists of contributions credited to his account by the employer. As a result of the consequential changes involved, the Home Member did not make the motion that the Bill be passed because he thought it necessary that it should be further examined. Sir Charles Innes introduced a Bill to provide for the better regulation of cotton ginning and other press factories. When he moved that it be referred to a Select Committee, Mr. Aney demanded that it be circulated for eliciting public opinion thereon. There was some diversity of even non-official opinion on Mr. Aney's motion and Sir Charles Innes opposed it; but it was adopted by the Assembly. Sir Basil Blackett brought in a Bill to consolidate, amend and extend the law relating to the levy of duties of customs on articles imported or exported by land from or to territory outside British India. Objection was taken to the possible application of the Bill to imports or exports from and to Indian States and the Bill was referred to a Select Committee by which it was amended so as to give effect to the objection. The Bill as so amended was passed into law. The Bill to amend the Imperial Bank of India Act came up before the Assembly when the Report of the Select Committee on the Bill was taken into consideration. Sir Basil Blackett moved an amendment to make it clear that the Bill had reference only to banking Companies whose capital was expressed in rupees, and the amendment was adopted by the House. An amendment was moved by Maung Tok Kyi to bring within the scope of the Bill co-operative Banks established under the Co-operative Societies Act, 1912. The Finance Member opposed this amendment, and was supported by Sir Purshotamdas Thakurdas, Mr. Rangachariar and Mr. Jamnadas Mehta, but the amendment was carried by 46 votes against 45. With these amendments and with some verbal alterations, the Bill was passed. But the Finance Member reserved to himself the right to move an amendment, if he found it necessary, in the Council of State in order to have the position set right.

Dr. Gour brought in a motion referring to Select Committee his Bill to make provision for the better management of Hindu religious and charitable

Non-official Bills.

trust property and for ensuring the keeping and publication of proper accounts of such trusts. The discussion which followed disclosed a diversity of opinion among non-official Members. The Home Member explained that the last opinion on the Bill had only been received on the 14th September and it had not therefore been possible for him to consider the opinion and the attitude of Government. He explained the delicacy of the situation *vis-a-vis* the administration of transferred subjects and suggested postponement of the motion. The debate was adjourned. Dr. Gour's Bill to repeal certain provisions of the Indian

Criminal Law Amendment Act, 1908, also came up before the Assembly. He referred to the recommendations of the Repressive Laws Committee, and argued that the retention of these provisions was unjustifiable. Sir Alexander Muddiman expressed his personal distaste for exceptional legislation, but said that the over-riding principle was *Salus populi suprema lex*. The Home Member traced the history of the enactment of 1908, which was based upon the existence of anarchical conspiracy, and showed that the Repressive Laws Committee had not in reality recommended repeal. He referred to the refusal of the first Assembly to consider the repeal of this measure. He also challenged the assertion that the condition of India was such as to warrant the repeal of the law. He recounted instances in Bengal to illustrate the gravity of the revival of anarchical conspiracy, and quoted Mr. C. R. Das's opinion as to the gravity of the anarchical movement. Was it right, the Home Member said, that Government should divest themselves of any weapons at such a time? Continuing, the Home Member said that he himself would be only too pleased if the ordinary law sufficed, but he did not feel that it did.* Sir Alexander dealt with the allegation that the Act had been misapplied and defended its use. Concluding, he asked the House whether, if they had had the responsibility for law and order in India, they would have agreed to repeal this measure. Mr. Abhyankar, Mr. Amar Nath Dutt, Pandit Madan Mohan Malaviya, Pandit Motilal Nehru and Mr. Jinnah supported Dr. Gour's motion. Mr. Holme, Captain Hira Singh, Mr. Chatterjee and Mr. Calvert opposed it. Sir Chimanal Setalvad argued the necessity of some provision in the Act to provide an appeal to a Court of Law, and suggested that Government should consider the point. Dr. Gour tried to controvert the arguments of the Home Member, and pressed his motion upon the House. Sir Alexander Muddiman said that he had received confirmation from the debate of his worst fears regarding the spread of anarchical conspiracy. He said Government would discharge its duty fearlessly, and added that they would not yield any of the special powers they possessed. By 71 votes against 39 Dr. Gour's motion was carried. The Bill came up for consideration on the 19th September. The House agreed to it clause by clause, and Dr. Gour moved that the Bill be passed. In doing so he again recapitulated the history of the measure and argued in favour of its repeal. Mr. Tonkinson controverted the position taken up by Dr. Gour and illustrated the danger of the unrestricted right of association. He argued how unsatisfactory the measure before the House was and appealed to it to reject it. Lala Duni Chand, Mr. Jinnah and Pandit Motilal Nehru supported Dr. Gour's motion. Mr. Calvert defended the Act. The Home Member, in opposing the motion, denied that the Government had given any pledge of repeal. He again dealt with the necessity for the continued existence of the Act. Dr. Gour's Bill was passed by 71 votes to 40. Mr. K. Rama Aiyangar wanted to refer his Bill further to amend the Indian Evidence Act, 1872, to Select Committee, but leave was refused. Another measure of Mr. K. Rama Aiyangar's came up before the Assembly when he moved to refer to Select Committee his Bill further to amend the Registration Act, 1908. Mr. Tonkinson stated that the law had already been amended in a manner sufficient to remedy the defects with which the Bill purported to deal and that there was no justification for the Bill. The House, however, agreed to Mr. Rama Aiyangar's motion by 42 votes to 38. Diwan Bahadur T. Rangachariar moved that his Bill further to amend the Indian

Registration Act, 1908, he referred to a Select Committee. Mr. Tonkinson moved an amendment that the Bill be circulated for the purpose of eliciting opinion thereon and the amendment was adopted. Mr. Rangachariar also moved to refer to Select Committee his Bill to provide that when firearms are used for the purpose of dispersing an assembly, preliminary warning should, in certain circumstances, be given. The Home Member expressed his sympathy with the object of the mover, but commented on certain clauses of the Bill. He described the difficulty of dealing with mobs, and went through the draft provisions in order to show that there would be serious obstacles to accepting the proposals contained in the Bill. The House agreed to refer the Bill to Select Committee by 58 votes against 38. Mr. Chaman Lal introduced a Bill to make provision for the weekly payment of wages to workmen, domestic servants and other employees. Mr. Joshi introduced a Bill to regulate the employment of women in factories and mines on estates to which the Assam Labour and Emigration Act, 1901, applied. He also wanted to introduce a Bill to repeal legislation making breaches of contract of service, absence from work and desertion on the part of artificers, labourers and workmen and the enticing away, harbouring or employing of labourers under a labour contract a penal offence. Mr. Chatterjee pointed out that the Bill Government had introduced dealt with two-thirds of Mr. Joshi's proposals. As regards certain provisions of the Assam Labour and Emigration Act, they had not been operative for many years under executive notifications. Mr. Chatterjee gave an assurance that before Government took any action towards rescinding the present notifications and making those provisions again effective, the views of the House would be obtained. Mr. Joshi thereupon withdrew his Bill. Mr. K. C. Neogy introduced a Bill intended to prohibit the reservation of compartments in railway trains for the exclusive use of persons belonging to any particular community, race or creed. To his Bills which were still pending before the Legislature, Dr. Gour added another when he introduced his Special Marriage (Amendment) Bill in order to correct what he called an anachronism under the existing law. Mr. Duraiswamy Aiyangar introduced a Bill to amend the Indian Stamp Act, 1899, in order to introduce uniformity in the provisions of the law with regard to the validation of insufficiently stamped and non-stamped documents. Sir Basil Blackett opposed the Bill as an attack on the Government stamp revenue, and pointed out that it had been decided, when the Government were amending the Stamp Act in 1923, that it was undesirable to make the change which was proposed. Leave was refused by 47 votes against 27.

Conclusion.

The Council of State was prorogued on the 23rd September, and the Assembly on the 24th, and this concluded the proceedings of the Legislative Session at Simla. The foregoing review of its work has amply demonstrated how strenuous was the session, and how arduous the labours of the legislators who participated in it. Judged by the number of Resolutions which were discussed, and the volume of legislation which claimed attention, the quantity of business transacted in the session was creditable. As frequently happens, Government and Opposition were at issue on many important questions; but it is from the conflict of views that the spark of truth springs most readily. Not

infrequently the practical value of the debates recorded in the proceedings was very great : grievances were ventilated : policies explained : misconceptions rectified. It is not the function of this publication to attempt more than an impartial survey of acknowledged facts : and it is beyond our scope to enter upon a discussion of political operations. But we may note that the attitude of uncompromising obstruction on the part of certain groups, which had been the prominent character of the Delhi Session of 1924, was not revived from the desuetude into which it had lapsed during the Tariff Bill session of May and June. Prominent members of the Opposition were found on occasion in the Government lobby as though no insurmountable obstacles divided one side from the other. Compromises were found possible : in certain matters at least the policy of give-and-take prevailed. It is not, therefore, unreasonable to hope that a friendly agreement to differ upon those questions where sharp divisions are inevitable may gradually conduce to the speedier and smoother transaction of business which concerns the common weal.



India's Parliament

PART I.

LEGISLATIVE ASSEMBLY.

Thursday, the 24th September, 1924.

PROPOSE PRESENTATION OF AN ADDRESS TO H. E. THE VICEROY *RE* THE NEXT SESSION OF THE ASSEMBLY.

(Mr. V. J. Patel rose to speak.)

Mr. President : The Honourable Member (Mr. V. J. Patel) has given notice of his desire to move the presentation of a formal address to the Governor General under Standing Order 74 in the following terms :

“ That a humble address be presented to His Excellency the Governor General requesting that he be pleased to summon the next session of the Legislative Assembly on some date after the expiration of four years from the time of the first meeting of the Assembly, so as to enable the Assembly to exercise its right of electing its President under section 63C (1) of the Government of India Act.”

The Honourable Member proposes to use a method which is not available. Standing Order 74 is not in itself an operative Standing Order, but only provides the means whereby communications, under other provisions of the procedure, shall be transmitted to His Excellency the Governor General ; that is to say, to give an instance, where this Chamber and the other Chamber fail to agree on a Bill and there is no other course of action open, then report is made to His Excellency the Governor General of the fact that there is no agreement. It is for that purpose and other such purposes that Standing Order 74 provides the channel, but not for the purpose of such a motion as this.

10th September, 1924.

RESOLUTION *RE* RECOMMENDATIONS OF THE LEE COMMISSION.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I rise to move the Resolution which stands in my name, and in doing so I wish to remind the House that I am redeeming a pledge which was given by the Government on several occasions that, before orders were passed on the recommendations of the Royal Commission on the Superior Civil Services, the Indian Legislature should be given an opportunity of expressing its opinion on those recommendations.

Before I go further, I should like for a moment to invite the attention of the House to the history of the appointment of this Committee. This House opposed its appointment very bitterly, but as I

gather somewhat less bitterly when it found that the scope of the reference to the Commission was wider than it originally believed it to be. In fact, in reading the debate in connection with the appointment of the Commission—for I was not then a Member of this House,—I was struck by the fact that one speaker after another based his opposition on the fear that the Commission, both in the matter of the control of the Services, and in the matter of Indianisation, would recommend a reactionary policy and would go back on the conclusions arrived at in the Montagu-Chelmsford Report. I need hardly point out that the Commission, as a matter of fact, has made in both respects an immense advance on the position contemplated in the Montagu-Chelmsford Report. However that may be, it is perfectly true that the Report of the Commission comes, as it were, with a certain sense of prejudice before this House. But I think this House is far too fair to allow its judgment to be obscured by any feeling of pique, by any feeling of dissatisfaction at the fact that its wishes were not attended to when the Commission was appointed. You have the Report; *factum valet* you have to consider it. I will invite the attention of the House to the terms of reference. What were they? They were as follows: In the first place, the Commission was to have regard to “the necessity for maintaining a standard of administration in conformity with the responsibilities of the Crown for the Government of India.” That is to say they were to make no recommendation which would in any way upset or conflict with that responsibility. In the second place, their attention is invited to “the declared policy of Parliament in respect of the increasing association of Indians in every branch of the administration.” In other words, they were directed to explore the possibilities of further advances in the Indianisation of the Services. Lastly, they were directed to keep in view “the experience now gained of the operation of the system of government established by the Government of India Act in respect of the Superior Civil Services in India.” That is to say, they were required to say whether the actual operation of the scheme of government established by that Act had disclosed anomalies in the organisation and general conditions of service, which ought to be removed. Sir, the Commission has been severely criticised, and I think unfairly criticised, for not doing what it was not directed to do. This, Sir, was not a body charged with the reform of the constitution; its duty was to make proposals which would adapt the organisation of the Services to the existing constitution. It is idle to blame the Commission for not doing what it was not directed to do. However, I shall endeavour to show later, if it is necessary for me to do so, that the Commission were not oblivious of the fact that alterations in the constitution might take place in the future. There is nothing in the Report of the Commission in my judgment which justifies a charge that their recommendations impede constitutional progress. And what was the tribunal to which these great issues were referred? Its President was an ex-Cabinet Minister, who has told us himself, that he has no Indian past and no Indian future. Of the Englishmen on the Committee, two were men who had never visited this country and had no material interest in the country; and of the other members of the Committee there were four representative Indians, Indians whose names have been honoured highly by their own countrymen, and in this connection, Sir, with your permission I should like to digress for one moment to express my great regret that my personal friend, Mr. Bhupendra Nath Basu, has been prevented from carrying on his important duties in Bengal and has had to resign owing to ill-health.

To return to the constitution of the Commission, there was only one member of the Services on the Committee who was still serving. The other *ex-Service* member was Sir Reginald Craddock, who is well known to this House, a man of the most extensive experience, the last of the Lieutenant-Governors. So the Service element was not over-represented. Now when I read the personnel of the Commission—and in those days I had no personal concern in it ; I was an impartial observer—perhaps more so than I am now—I must say I never thought that the opinion of a Committee so constituted was very likely to be unanimous. Yet, Sir, the Report was unanimous and, when you get a unanimous Report from a Commission representing so many diverse races and so many diverse elements, I say that that fact must be borne in mind when this House comes to deal with it. I hope the House will not ignore that fact in considering the Committee's recommendations.

Another feature is that it is evident that many of the recommendations are the result of a compromise, and the value of a fair-minded compromise is very great. The Report itself refers to "the spirit of compromise which has inspired our agreed conclusions." Honourable Members will find that in paragraph 108 of the Report.

Now before I turn to the actual proposals of the Commission, there is a further point that I should like to bring to the attention of the House, and that is the position of the Services in any country and *vis-a-vis* any Government. The position of the Services, I submit, in no country is that of direct contact with the Legislature. The Executive Government is the master of the Services and at the same time their protector. It is a body interposed in all normal constitutions between the Legislature and the Services. That is a fact that I hope all those who look forward to the advance of India in the direction of responsible government will bear in mind. In the past the coincidence between the functions of the Services and the functions of the Government has done much to create feelings which are not really justifiable in regard to the Services. If a particular policy of Government creates odium, then let Government take it—do not transfer it to the Services. It is to be remembered, moreover, that in any country, however democratic, nine-tenths of the actual work of government is discharged by the Services. Listen to what Professor Ramsay Muir says ; he is writing about conditions in England, and he says :

"It is no exaggeration to say that so far as concerns the carrying on of the daily administration and the enforcement of the existing laws, which is nine-tenths of the business of Government, this country is governed by a pure bureaucracy."

That is, even in England, after centuries of democratic experience, it is not possible to dispense with a bureaucratic machine ; and I do wish to impress upon the House the importance of realising how essential is the executive machinery in whatever way it may be directed and whoever may be its head. You may have the ablest of Ministers ; you may have a Legislature like this Legislature informed with wisdom ; you may have a Government of the most admirable character ; but if you have not a body of officers to carry out the policy of that Government, you are like a man without arms. You will be helpless and it will involve the failure of your administration.

And now I want to draw your attention to the fact that you have in India a large body of public servants carrying on the administration. It is a legitimate ground for pride that they are of a very high grade

of efficiency, and I do not refer to the British officers only but to the great multitude, for the most part Indians, who are industriously and ably carrying on the details of the administration of this country. I appeal to the House that, where they find the actions of Government are not to their liking, they should confine their attack to the Government whose shoulders are broad enough to bear it and not attack the instruments of that Government; and they should treat the Services reasonably and with justice and allow them to go about their work unhampered by considerations of policy.

Now, Sir, I come to the definite proposals made by the Commission for the control of the All-India Services which are embodied in the terms of the Resolution now before the House. At present, as the House is aware, the control is vested completely in the Secretary of State who lays down the conditions of service, the proportion of Europeans and the proportion of Indians; he fixes the pay; he sanctions the posts, and in the last resort the Services have an appeal to him. Now the Commission leave this position unchanged in the case of certain services while in the case of others it makes very important changes. Put in a nutshell the recommendations of the Committee appear to me to amount to this—that the Services should be controlled by the authority which is ultimately responsible for the administration of the subjects with which they deal. I could not quote any passage in the Report which in so many words states the position in that form, but I think it not an unfair general statement of the case. Now this is a two-sided argument or rather, it is a two-sided application of a single principle. The policy which it embodies should be regarded as a whole. The same argument which justifies the retention of the Secretary of State's control over the Services in the reserved field can be applied to justify the transfer of control over the Services in the transferred field. Under the recommendations of the Committee the Services in the reserved field will be only four—the Indian Civil Service, the Indian Police Service, a portion of the Indian Service of Engineers, namely, the Irrigation Branch, and the Forest Service except in the Provinces of Bombay and Burma. These Services are dealing with subjects over which Parliament has reserved the ultimate responsibility to itself, and the logical conclusion is that the ultimate authority responsible for the efficiency of the Services must be the one directly responsible to Parliament, namely, the Secretary of State. As the Constitution stands at present, it is difficult to put forward any other logical proposition. It has been contended no doubt that the Secretary of State should delegate his control over these Services to the Government of India. Now, Sir, the Government of India, as the House is well aware, is not a final constitutional authority. If those powers were delegated to it, as the Constitution now stands, it will not be responsible to Parliament, it will not be responsible to this Legislature.

I will now turn to the other side of the scheme put forward by the Commission, that is, the control of the Services operating in the transferred field. They are the Indian Educational Service, the Veterinary Service, the Agricultural Service, the Indian Forest Service in Bombay and Burma, and the Buildings and Roads Branch of the Indian Service of Engineers. I leave on one side for the present the Indian Medical Service to which I shall refer later. I will not labour the argument I have used before, for the same argument which justifies the retention of control in the reserved field

calls for the transfer of control to the Local Governments in the transferred field. I will not conceal from the House that in my opinion—and what is more important—in the opinion of the Government of India, these proposals are of a very far-reaching nature. They affect important Services and mark a new departure. Take one example. Now educational advance, as I understand, is a matter in which every Member of this House is greatly interested. The administration of educational policy will in future be left to Services not such as those the Secretary of State may approve, but such as those the Provincial Governments in the transferred half will approve. It will be for them to say if they want any more Englishmen. It will be for them to regulate these Services, and that is all that any Government, however democratic, can expect to do. Similarly, with regard to the other Services to which I have referred. Now, whatever our views about it may be, it is a very great step and one of great importance to this country. The Commission decided to recommend it and the Government of India have decided to support it. Once the Services are handed over to Provincial control, it is at the same time essential—and here I think everybody in the House is with me—that they should be safeguarded from the insidious attacks of political influence. I need not enlarge on the experience of other countries. Canada and the United States have learned their lesson and it is not for this country to fall into those mistakes from which they had great difficulty in retrieving themselves. The exact measure which may be required for safeguarding the Services will require careful consideration, and the House will not expect me to express any detailed opinions to-day, but it is clear that the safeguards required must take two general forms. In the first place, as is recommended by the Royal Commission in paragraph 16 of their Report, it will be necessary to pass certain Public Service Acts with a view to secure selection over the widest possible field on merits and qualifications and to reduce the risks of political interference, to lay down procedure for punishment and appeals and to provide definite conditions in regard to such matters as pay, pensions and leave. In the second place, it will be necessary to constitute a Public Service Commission. I do not propose in the short time available to go into the delicate question of the exact functions which this Public Service Commission should perform; nor am I at present in a position to state whether it may or may not be necessary to constitute Public Service Commissions in the Provinces. I merely wish to indicate that some organization of the form of a Public Service Commission will undoubtedly be required as forming an essential part of the safeguards of the transferred Services. Without such safeguards we could not as a Government contemplate with equanimity the transfer of the control of the Services.

I have left to the end the question of the Indian Medical Service, for it has many complications which fortunately are peculiar to itself. I will leave it to my Honourable Colleague to develop in greater detail the recommendations of the Commission in regard to this Service. I will only say that the question is one of extraordinary complexity and difficulty and no hasty decision should be taken on it. There is the military problem, there is the difficult question of the military medical reserve to be available in time of war. But subject to these considerations we are provisionally in favour of the suggestion of the Royal Commission that so far as the non-military personnel of the civil medical administration is concerned Provinces should be allowed to develop their own Provincial Medical Services. The exact method of reconciling these two elements—the Provincial Medical and the military medical reserve—will require most careful and detailed consideration.

I would refer and very briefly to the recommendation regarding the provision of British medical attendance for British civil officers and their families. In so far as this can be done we feel that it ought to be done, and so far as we are able to judge the recommendations of the Commission apparently would not entail an appreciably larger and possibly not so large a number of British doctors as would in any case be required to be employed as a military reserve. I have dealt with this point very lightly for as I have said my Honourable Colleague will develop it in greater detail.

I now turn to the next point, namely, the Indianization of the Services. I will say here that the Commission approached this matter from a standpoint very different from that of the Islington Commission.

They say :

“ In the days of the Islington Commission the question was how many Indians should be admitted in the public services, it is now become what is the minimum number of Englishmen which must still be recruited.”

Well, Sir, this is a great change and it is a change which has come over the scene in a very few years. The Islington Commission reported in 1915. And in these few years we have come to a position which surely is one that must be accepted by everyone in this House, for I will not suppose that there is any one in this House prepared to say that no Englishmen will be required for India in the future.

I will quote what the Montagu-Chelmsford Report says on the question of the retention of a British element in the Services :

“ Do the changes which we propose point to the gradual, possibly the rapid, extrusion of the Englishman with all the consequences that may follow the reform ? Is it conceivable that India's only surviving connection with the Empire will be found in the presence of British troops for the purpose of defending her borders ? We may say at once that the last contingency cannot be contemplated. At least so long as the Empire is charged with the defence of India a substantial element of English must remain and must be secured both in her Government and in her Public Services.”

I would like to analyse in a little detail the proposals of the Commission so that the House may realise what it is that they actually mean. I must confess that I myself received rather a shock when I first saw the figures. I take the All-India Services. The present sanctioned strength is 4,279 ; their actual number is just under 4,000. I estimate that on the proposals of the Commission about 1,300 posts, so far as future recruits are concerned, will be provincialised, and I will assume that this means practically complete Indianization. There will remain something under 3,000 posts on an All-India basis, but of these 3,000 it is contemplated that the greater portion will eventually be filled by Indians. In every case except the Police it is recommended that Indian recruitment to these Services should be more than half the total, while in the Police it is proposed to recruit half and half. If the proposals of the Commission are given effect to, there will, I estimate, eventually remain in the All-India Services only some 1,300 British Officers including the doctors of the military reserve. If we confine our consideration to the two security Services—the I. C. S. and the Indian Police Service, the number of posts which will eventually be held by Europeans on the proposals of the Commission is less than 900.

I sometimes wonder if it is realised that when the Indian Civil Service consists half of Europeans and half of Indians there will only be 675 British officers employed in the whole of India in the important tasks

which this Service performs, and of this number less than 400 will be filling posts of major responsibility, the remainder being under training in less responsible posts or on leave. Is it really suggested that in the condition of India some 400 British officers employed in important Secretariat or administrative posts, as heads of districts, as Sessions Judges, as Political officers and the like is an excessive number in a country with more than 300 million inhabitants ?

If we look at the problem from this point of view I think few will deny that the proposals of the Lee Commission go to the very limit of safety. I do not wish to emphasize the existence of communal and provincial feeling or to lay undue stress on the conditions which I am told every day are evanescent but to which it is impossible to shut one's eyes.

I have been twenty-five years in this country and I see no signs of their disappearance—I lay no further stress on that point. I for one cannot believe that this country can afford or will wish to dispense with the services of British officers. But I may be told that what is really needed is not the disappearance of the British official in India altogether, but the more rapid substitution of Indians. That, Sir, is the policy of Government within limits. But let me remind you that a service is an organism of slow growth; a few enter it, a few leave it every year. To those who complain that Indianization makes slow progress let me cite the figures for the Indian Civil Service. There are at present 165 Indians in the Service. Of these 86, that is more than half, have entered within the last five years. And this was under a system of recruitment which gave Indians appreciably less than 40 per cent. of the vacancies. The Lee Commission propose to give them 60 per cent., and in the next five years, if recruitment is normal it is quite clear that as many Indians will enter the Service as the total number that is in it at present. It has been freely argued that European recruitment should be stopped altogether. The more cautious of those who make this demand suggest that it should be stopped only for a time in order that the process of Indianization may be speeded up to a maximum. Do they honestly think that it would ever be possible to revive British recruitment when once it had been stopped ? Others point to the number of British officers at present in the Services—some 3,000 in all the All-India Services—and argue that for the next 15 or 20 years they will provide all the British element that the country needs. But do they believe that if British recruitment were closed down everything would go on in the Services as before ? Have they no fear that such an announcement might lead to a considerable exodus of British officers ? There are some I know who would welcome this result, but I believe very many others would sincerely lament it. I return to the proposals of the Commission. (*Diwan Bahadur T. Rangachariar* : “ Will you explain that point ” ?) What I was suggesting to the House was that it will not be without its effect on the existing members of the Service. That is my view : it may not be yours.

Now let me explain the proposals in terms of the recruits we need.

1 P.M.

We need annually about 22 British recruits for the Indian Civil Service, 15 for the Police, and perhaps 8 for the other two Services. This would give you a total recruitment of 45. We shall be losing British officers by retirement according to normal calculations at the rate of about 120 a year, that is, for every 10 British officers that retire from the All-India Services we shall recruit not more than 4.

And now, Sir, there is another point. I have often discussed this question with Indian friends—and I hope I have many Indian friends—and I cannot help feeling that in the back of their minds there has always been a feeling that Englishmen in this country desire to keep up English recruitment for selfish reasons; that they wish to keep the jobs for their children or their cousins and that they have at the back of their minds some reservation of that sort. Now, I ask you, Sir, 45 British recruits a year—is that a fact which is going to affect an Empire like ours or a race like mine?—45 recruits? Why, there are many big commercial undertakings which will require nearly that number of recruits. I may be wrong—but I have always thought that the feeling to which I have referred was present in the minds of many of the people with whom I have discussed this question.

Now, I have one word to say on a point which has given rise I understand to some anxiety in the Muhammadan community. They at any rate have recognised that the recommendation of the Lee Commission will involve very large increased recruitment of Indians, and they are somewhat apprehensive that they may not get a reasonable share of these appointments. It is not only particular communities which put forward claims of this nature, but many of the Provinces show a tendency to insist that, as far as possible, strangers from other Provinces should not be placed in their Services. Now, no concession can be made to claims of this kind without departing to some extent from the principle of free competitive examination. This House has passed a Resolution affirming the principle that the Services should not be unduly overweighed with representatives of any one community or Province. It is evident that this question must be taken into careful consideration in connection with the large increased rates of recruitment for Indians arising out of the Lee Commission, and I may say that the matter is one which the Government of India have at the present moment under their close attention.

I pass to the second part of my subject, the financial relief of the Services. It is no new question. Now, the Commission, and the Government of India also, must approach this question from two points of view—that is, in the first place, the relief of the present incumbents; and, in the second place, the encouragement of recruitment. Both are of the greatest importance but I will refer later to the question of recruitment and will review now the case for general relief. The pay of the Superior Services had been under consideration and discussion now for many years. I do not propose to take the story back before 1912, by which year it had been realised that something would have to be done. Prices had been rising steadily for many years, while salaries for the most part had remained unchanged. These conditions had by 1912 produced a considerable amount of discontent. Now, there is one important point to which I wish to draw the attention of the House, and that is, that these complaints were made before the war and long before the Reforms. I have often heard it said that the Services are asking for more pay as a bargain for the Reforms. Nothing is more untrue.

As I have said by 1912 the Services were beginning to feel the effect of the constant rise in prices. That prices have risen hardly needs demonstration, but the House will want some facts, and in this connection I will refer them to a Report which is well known to most of them. The Government of India placed an eminent Indian gentleman, Mr. K. L. Datta, on special duty to conduct an elaborate inquiry into the facts, and this

Report is no doubt familiar to the House. He found that in the period 1890-1912 the general level of wholesale prices rose by 36 per cent. ; of domestic servants by some 50 per cent. and the average wage of all labourers by about 60 per cent. Roughly there was a 50 per cent. rise all round. It is, therefore, not surprising that the Services in 1912 were beginning to feel the effects of these rises. In that year the Islington Commission was appointed. They took two and a half years over that job. They took plenty of evidence and they published many volumes of it. Well, by the time the Report reached the Government of India, the great war had come on and the consideration of the Report was deferred and the Report was not actually published till January 1917. In the meantime the facts on which the Report was based had changed and were daily changing out of recognition. The war had, in India as elsewhere, produced an upheaval of prices and the recommendations of the Commission were out-of-date before they were considered, before they were even commenced to be considered, and the consideration itself was a lengthy process. It was not till the end of 1919 and the beginning of 1920 that the new scales of pay for the Services were sanctioned.

I come now to the revisions of pay of 1919-20. As I said just now, the actual proposals of the Islington Commission were out-of-date before they came up for consideration. The primary new factor was the crushing increase in prices since the Islington Commission had made their recommendations. It is probably a reasonable estimate to say that the rise in the cost of living for Europeans in India in this period had been not less than 60 per cent. But it is perfectly true that at that time there were influences of a compensatory character, and the main influence was the remarkable rise in the exchange value of the rupee. To some considerable extent the rise in the cost of living was made up by this, and it is quite clear that the revisions of pay of 1919 and 1920 were made on the assumption that the rupee would remain at or about 2 shillings. The Under Secretary of State for India made the following statement in the House of Commons on the 20th July 1922 :

“ The present scale of salaries was fixed with effect from the 1st December 1919. The official exchange value of the rupee was then 2 shillings. At that time it was expected that the exchange value would continue about that figure, though it could not be definitely guaranteed.”

(*Diwan Bahadur T. Rangachariar* : ‘ Is there any other authority for that ?’) I will endeavour to find out. It may assist the House to realise what an important factor this anticipation of a high exchange must have been in determining the new rates of pay for the Services, if I refer to the case of the Indian Civil Service for purposes of illustration. The Montagu-Chelmsford Report had urged that something should be done towards restoring the real pay of the Service to the level which had proved attractive 20 years ago, and in the consideration of the revision of pay of the Indian Civil Service, considerable stress was laid on this recommendation. To restore the pay of the Indian Civil Service to the level which had proved attractive 20 years ago would have involved perhaps an increase of 50 or 60 per cent. The actual increase sanctioned was some 8 or 10 per cent. - It is, I think, very evident that these proposals would not have been considered to meet the situation adequately had it not been for the anticipation of a high rate of exchange. As the Lee Commission say in their Report, if exchange had remained at or about

regarding the scales of 1919-20. But within a year of the introduction of the new scales the basis on which the new rates of pay had been fixed was shattered. The Services had been tried high. For seven years they had waited for relief which seemed to them at any rate overdue. No sooner was the relief given than an unforeseen accident deprived them of a large part of the long expected relief which they had hoped to receive. By the end of 1920 the Government were overwhelmed with a large number of memorials protesting against the new rates of pay. But at that time there was great financial stress in India. The finances were seriously involved, partly from the general after-effects of the war, partly from the failure of the currency policy, and partly owing to the fact that enormous sums amounting to 9½ or 10 crores had been incurred in recurring expenditure for the purpose of raising the pay of the Provincial and subordinate Services throughout India—charges that I myself regard as absolutely essential but still they were a heavy burden on the Exchequer of the day. Sir, the Government postponed any further action for three years—from 1920 to 1923. The decision to appoint a Royal Commission, whose Report we are discussing to-day, was made in January, 1923, but the Commission did not start its work until the cold weather of 1923-24. Sir, I have gone into this at some length because I have heard it said that the claims of the Services are really in the nature of—to put it quite frankly—black-mail. They do not like the reforms and therefore, in order to keep them quiet, you have got to pay them more. I contend that the history of this matter shows clearly that these claims arose before the reforms were thought of. It has a long history, and as they think, it has taken a very long time for them to get much needed relief.

Now, what is the relief proposed by the Commission? I know the House feels that they have not been given the full evidence on this point given before the Commission. How could the Commission, which gave a pledge that they would not reveal a great many things which were communicated to them under the pledge of secrecy, publish that evidence? Much of the most valuable evidence was given by banks which doubtless were bound to exact the pledge of secrecy; for I understand that to reveal the condition of its clients' accounts is a thing which no bank will do. Other evidence was given by commercial firms. They had very good reasons—quite obvious reasons—for not wishing their recommendations to be known.

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhammadan Urban) : May I ask if there is anything to show that banks and commercial concerns asked that their evidence should not be published?

The Honourable Sir Alexander Muddiman : I think so. I have not got the exact reference now, but I will give my Honourable friend the reference. There is a reference to this in the Report.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : That must be a privilege claimed by the banks if the privilege was not raised by the constituents.

The Honourable Sir Alexander Muddiman : I do not quite follow the Honourable Member. As I say, great point has been made that the detailed evidence has not been laid before the House.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Is it suggested that the banks gave individual accounts to the Commission?

The Honourable Sir Alexander Muddiman : The Commission say on page 26 of their Report :

“ We have obtained independent confirmation of this view from banks or financial houses in close and constant relation with members of the Services. We were informed that a great many officers, particularly in the early years of married life, are at present in debt to an extent which was unknown 20 years ago ; and that this is in no sense due to extravagance. Insurance policies are pledged as security for advances to a much greater extent than formerly and in many cases their surrender value taken.”

I understand that an insurance policy is the last thing that a man pledges.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadian Rural) : Will the Honourable Member look at page 61 where he will see that a different ground is given by the Committee for not publishing the evidence ?

Mr. President : I must ask Honourable Members to allow the Honourable the Home Member to proceed with his argument. Government have allotted three days for this debate and Members will have full opportunity of developing their own case.

The Honourable Sir Alexander Muddiman : On a point like this, what you want is not for everybody individually to examine the evidence. You have had this Commission. I suggest that it would be right that their recommendations should be treated somewhat on the lines of the verdict of a jury. When you get a unanimous recommendation, you must attach some weight to it. It is not suggested that the Commission was unfair or prejudiced. They were engaged for the purpose of giving their impartial view of the matter. They presumably came with a perfectly fair mind to the matter.

Now, what are their proposals ? I will explain them in broad outline. In the first place, they propose an addition in the matter of pay. The form in which they cast their proposal was somewhat complicated. They suggested that an addition of Rs. 50 a month should be made to the overseas pay and that the whole of the overseas pay should then be converted into sterling at the favourable rate of exchange of 2 shillings. The essence of the proposal, when it is analysed, will be seen to be the payment of the whole of overseas pay in sterling. Unless the whole of the overseas pay is remitted to England, the full benefit proposed by the Commission does not accrue. We accept the fundamental principle of this proposal, but we see no advantage in stating the overseas pay first in rupees and then converting it into sterling at a favourable rate of exchange. We prefer to state the overseas pay straightaway in sterling. The effect of the proposal is, in the first place, an addition to overseas pay, in the second place, the payment of that overseas pay in sterling in such a way that the officer is protected against the loss, if the exchange falls below 1s. 4d. ; and the Government will take the profit when the exchange rises above 1s. 4d. This is the essence of the proposal of the Royal Commission and we are prepared to accept it, speaking generally, merely simplifying the form. With regard to the amount, this appears to us to be fair and equitable. The Commission propose that it should start at Rs. 75 a month on a 1s. 4d. basis and rise in the 12th year of service to Rs. 200 a month on the same basis.

There was one point on which the Commission were greatly divided. It was on the question how far this relief should be carried out.

to officers holding administrative posts. The Indian members recommended no relief except for certain lower administrative posts on a pay of Rs. 1,750—100—2,150. The English members, on the other hand, proposed—and the House will find the arguments stated very clearly in the appendices—that the relief given at the top of the time-scales should be carried on for all officers above the time-scales whose pay does not exceed Rs. 4,000 a month. The Government of India are not prepared to accept either of these divergent views. They propose to take a middle course. They are impressed by the fact that the financial circumstances of many officers holding administrative posts are straitened. At the same time we think that the proposals of the English Commissioners go somewhat too far and that it is unnecessary to consider the grant of any relief to any officers at present drawing more than Rs. 3,000 a month.

The second element in the scheme of relief proposed by the Commission is the grant of free passages. This I must explain is part, and an essential part, of the general scheme of relief of the Commission. They could have done it in any other way. They could have proposed a further increase in pay, but they thought it preferable to grant the relief in the form of free passages. The officer himself is relieved of considerable mental anxiety if he knows that his passage will be paid by Government. Further, the system has the advantage of providing automatically for the actual needs of the wife and family, and lastly the system is likely to be on the whole economical to Government, because it is certain that no more money will be paid by Government than is actually required for expenditure on passages. Nothing perhaps in recent years has proved a more serious burden to the Services than the crushing increase in passage rates.

From 1903 for a good many years the cost of a P. and O. 1st class return passage from Bombay to London was £78 ; it now ranges from £122 to 157 ; the intermediate scale of accommodation, namely, 1st Class B being £140. The concession, as the House will observe, is a moderate one.

Relief is provided only on the scale of 4 first class passages in the course of a service which may be taken as averaging from 28 to 30 years, that is, one passage in seven years.

The third main head of the recommendations of the Commission is in regard to pensions. I would here call attention to the fact that the Commission have rejected the claims for increase in the pension of the Indian Civil Service and have declined to reopen the question of the refund of the 4 per cent. contribution which all officers of the I. C. S. used to make towards their pension before 1919. The Government of India accept the conclusions of the Commission on both these points, but I think the House will recognise that the Commission's conclusions were framed in a spirit of due moderation and economy. For it must be remembered that while the I.C.S. pension is always represented as one of £1,000 a year, no officer who joined the Service before 1919 receives the full £1,000 a year from Government. On the contrary it is generally estimated that under the old system an officer of the I.C.S. contributed £250 a year to his own pension, and the Government gave a pension of only £750 a year. The cessation of the contribution of officers to their own pension from 1919 changes the situation, but the change is only a gradual one. It will be 25 years from 1919 before the first officer of the I.C.S. draws his full £1,000 pension from Government, and in the meantime those senior officers

who are now retiring are receiving from Government a pension very much less than £1,000. The Commission however proposed to grant certain enhanced pensions to Members of the Indian Civil Service who attained the high rank of Member of Council or Governor. This proposal has been carefully considered by us, but we regret we find ourselves unable to support it. We think that it is difficult to reconcile with the main idea which we take to underlie the recommendations of the Commission, namely, that essential relief should be given to those who need it most. Moreover, the pension of the Indian Civil Service has been based on the principle of uniformity. This principle has many advantages, but it is inherent in it that the man below the average receives more than he deserves and the man above the average receives less. We fully recognise that a pension of a thousand pounds a year may seem meagre for an officer who has filled a great and responsible post such as that of the Governor of one of our major Indian Provinces, but we feel that such a considerable departure from the principle of uniformity as is proposed by the Royal Commission would involve a reconsideration of the principle itself, and we do not think it would be expedient to upset a system which has in the past proved one of the chief attractions to the Service.

I have explained what the Commission and the Government of India do not propose to do in the matter of enhancing pensions. What they *do* propose is a moderate increase in the pension of the Uncovenanted Services amounting to Rs. 1,000 a year or £87-10s. in the ordinary pension from 25 years' service onwards.

The inadequacy of the rates of the Uncovenanted Services pension has been a ground of complaint for many years. The pension was fixed originally as long ago as 1855 or 1860 at Rs. 5,000 a year which was then £500. On the proposals of the Commission the 30-year pension will now be £612-10s. I do not think any one can suggest that an increase of £112 a year to cover the changed conditions of the last 65 years is excessive.

These are the main recommendations of the Commission to which we invite attention. I will leave it to my Honourable Colleague in charge of Finance to explain any possible indirect repercussions of the proposals of the Commission on the finances of India. I will confine myself to the direct cost as estimated by the Commission, and I have my Honourable Colleague's authority for stating that the estimates given in Appendix VII of the Report may be taken as approximately correct. That is to say the cost in the first year is 96 to 98 lakhs *plus* about 7 lakhs for administrative posts, or just over one crore. This is of course on a ls. 4d. basis; if exchange rises it will be less.

Diwan Bahadur T. Rangachariar : How much of it will be Central and how much Provincial ?

The Honourable Sir Alexander Muddiman : My Honourable Colleague will be able to tell you accurately. There is one statement however in Appendix VII which is somewhat misleading. It is said that the annual cost will probably rise until it reaches about 1½ crores, and will subsequently fall, as Indianization makes itself felt. I think it can be shown that this is too pessimistic a view, and underestimates the immediate economies of Indianization. The rise is due to the increase in the pensions of the Uncovenanted Services. This is estimated to involve a progressive addition of just over a lakh a year for 15 or 16 years. But the economies on Indianization will certainly exceed a lakh a year, and therefore the cost will

not gradually rise, but on the contrary will gradually fall. I tried to bring home to the House in the earlier part of my speech the exceedingly far-reaching nature of the Indianization proposals of the Commission and the rapidity with which Indians will be replacing Englishmen in the Superior Services. If we take into account both the overseas pay and the passage concession, the Indian officer of the future will be costing from the 12th year of service onwards some Rs. 500 a month or Rs. 6,000 a year less than the British officer, and even in the first year of service he will cost Rs. 2,400 less. For every 10 British officers that retire at least 6 Indians will be recruited involving an economy of over Rs. 14,000 annually. Now we may anticipate that about 150 British officers will retire each year from the All-India and Central Services. This would suggest a progressive saving of more than 2 lakhs each year which is appreciably in excess of the progressive increase on account of pensions, and will moreover steadily rise in subsequent years. The House will realise therefore what a very important economy may be anticipated through the process of Indianization. The Commission did not, it is true, propose to reduce the existing basic pay of Indians which would produce a further economy, and, in this very difficult question, I am not prepared to say that the Commission was wrong. The matter, however, is one which may, if necessary, be further considered.

Finally, I will deal with the very important question of recruitment. Now one of the most important aspects of the Commission's recommendations is the extent to which they will solve our present difficulties on this score. I have noticed that two conflicting lines of argument are used. There are those who say that recruits can be had for the Services without making any appreciable improvement in terms. On the other hand, there are those who say that the financial proposals of the Commission will be quite ineffective to attract recruits. I believe that both these arguments are wrong. It is quite clear that at the present time, whatever the cause, recruits cannot be had for the premier Indian Service. The Indian Civil Service is already 75 under strength. By next year it will probably be at least 100 under strength. In the examination held a month ago for the Indian Civil Service 21 British candidates presented themselves. Before the war nearly 200 used to come forward for what was generally acknowledged to be the severest competitive test in the country. The experience of this year does not stand alone. In 1923 there were 38 British candidates, in 1922, 19, in 1921, 20. The significance of these figures lies in the fact that, even on the reduced proposals for recruitment of British officers made by the Lee Commission, we require each year 22 for the I. C. S. We actually need more officers than there are candidates forthcoming. It is often said that for the Police at any rate there is no dearth of candidates. This idea has grown up owing to the experience in the first year or two succeeding the war. At that time there were a large number of officers just demobilised, and it is true that the number of applications for admission to the Indian Police Service was large. But we have now settled down to normal conditions, and I will give the House the facts relating to the examination for the Indian Police Service held a month or two ago in London. There were 18 vacancies to be filled; for these only 41 candidates appeared. A qualifying standard is laid down for this examination, and out of the 41 candidates 13 failed to reach the qualifying standard. Therefore there were only 28 qualified candidates competing for 18 vacancies. The position is certainly not as bad as that for the Indian Civil Service, but there is little margin of safety. I do not assert that financial considerations are the only ones which deter candidates from entering these

Services, but I do say that financial considerations do play a very important part and that without a removal of the present economic difficulties of the Services there is no likelihood of our being able to obtain the services of the Englishmen we want. If you want any Englishmen at all, they ought to be of the good class. If you want them, you must take care they are good ones. The improved terms recommended by the Commission will certainly not enable the Services to live in affluence nor will it restore the comparatively easy circumstances of the old days. Still they ought to be sufficient and the Commission thinks so and I am prepared to trust their judgment. In that respect their proposals would give the Services at least that minimum subsistence which a public servant can rightly expect. It will enable the members of the Services living with due economy to avoid falling into debt. That is not the case with many of our officers now. I see that Lord Lee, the Chairman of the Royal Commission, stated publicly that, if the recommendations of his Commission were brought into effect, he was ready to take part in a recruiting campaign in order to secure candidates for the Indian Services. That shows, at any rate, that in his judgment the recommendations made are adequate to attract recruits and, in the second place, that he is prepared to throw his influence into the scale in favour of recruitment. I have had letters from Oxford which give me some more hopeful account of affairs there. There is no doubt that people there and people in England generally are watching very closely the action that would be taken on the Report of the Royal Commission. They will also, I have no doubt, watch very carefully and read the debates of this House when it deals with the recommendations I am making. The general impression I have derived is that, if effect is given substantially to the recommendations of the Commission, there are some hopes of a decided revival of recruitment. Now, Sir, I thank the House and you, Sir, for the indulgence in the matter of time. The ground over which I have had to travel is very extensive and I have had to restrict myself to the main issues and pass lightly over many points of great importance. The debate that will ensue will give opportunities for those points to be raised and dealt with by the House as a whole. I feel that the occasion is a great one ; that the House has a great opportunity, a great responsibility. Sir, one more word and I have done. I have throughout my speech avoided any reference to the work that has been and is being done for India by the Services as they are at present constituted. I do not desire to base my case on any appeal of this kind. But the other day I came across a phrase that attracted my attention. It was a reference to "herdes of mercenary officials": Well, Sir, that was a phrase that stung me for a moment and I asked myself—Is that really the light in which the Services are looked on ? Of one Service it ill becomes me to speak. Its record is known and I am content to leave its merits and demerits to the verdict of history. But what of the others, the engineers, the doctors, the policemen, the professors, the forest officers and the rest who have spent their lives and often died in the service of India ? Were these mere mercenaries ? Is this all the recognition that is due to them from a developed India ? And then I was comforted and felt that there was no sting in the word mercenary for they were mercenaries in the same way as that great army of whom it is written :

" These, in the day when heaven was falling,
The hour when earth's foundations fled,
Followed their mercenary calling
And took their wages and are dead."

Mr. President : Resolution moved :

“ This Assembly recommends to the Governor General in Council :

- (1) That the following recommendations of the Royal Commission on the Superior Civil Services in India be in principle approved :
 - (a) that while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields, the following Services operating in transferred fields, namely, the Indian Educational Service, the Indian Agricultural Service, the Indian Veterinary Service, the Buildings and Roads Branch of the Indian Service of Engineers in those provinces in which the two branches have been separated, and the Indian Forest Service in Bombay and Burma, should so far as future recruits are concerned be appointed and controlled by Local Governments ;
 - (b) that recruitment of Indians for the Services in reserved fields should be increased as recommended ;
 - (c) that having particular regard to recommendation (a), early steps be taken to constitute the Public Service Commission contemplated by section 96-C of the Government of India Act, and to enact such legislation as may be necessary ;
- (2) That pay, passage concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended ; and
- (3) That the recommendation of the Royal Commission regarding the constitution of Provincial Medical Services in Governor's Provinces be accepted in principle, subject to :
 - (a) the employment in the provinces of an adequate military reserve ;
 - (b) the provision of adequate medical attendance for British Officers in the Civil Services and their families ; and
 - (c) the further consideration of the conditions necessary to secure an adequate number of British medical recruits for the needs of the Army.”

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhammadan Urban) : Sir, I rise to move the Nationalist amendment to the Government Resolution which has just been so very ably moved by the Honourable the Home Member. The amendment stands in my name, and I wish to make it perfectly clear at the very outset that it is a Nationalist amendment. It is rather long and I would follow the example of the Honourable the Home Member in dealing with it. I shall not inflict it upon the House by reading it from beginning to end.

Sir, before I go into my amendment I think it is but due to the Honourable the Home Member that I should congratulate him on the great ability and perspicuity with which he has dealt with the subject. He has dealt with it very fairly and has not overdone any part which related to the benefit of the Services. But remembering the undertaking that he gave at question time about the materials that he was going to place before this House, I must confess to a feeling of great nervousness all the time that I was listening to his very elaborate speech. I was listening to it almost with bated breath and at every moment I expected that some new material, something which we could not guess at from the report, would be forthcoming. I saw something protruding from the files in front of him and took it to be the fuse of the bomb under his table. I expected every moment the bomb to be thrown and sooner or later to burst upon us. I waited and waited and it was only when the Honourable the Home Member resumed his seat that I heaved a sigh of relief. The bomb did not after all explode ; it was not even thrown, and we remain, so far as the materials go, where we were before the Honourable the Home Member began his speech.

Now, Sir, he made certain preliminary remarks about the value to be attached to this Report, and I wish to deal with them point by point. What he said was that this Report was made by a Royal Commission which was constituted by gentlemen of the highest position and attainments. Nobody has ever doubted or disputed that. The next point he made was that the recommendations were the result of a compromise. It is here, Sir, that I would beg to enter my dissent. Compromise between whom? Who were the parties to that compromise? The Honourable the Home Member said that the Indian gentlemen on the Commission were representative Indians. Here again, Sir, I beg to join issue. Who elected them; whose representatives were they, and what position did they occupy in the public life of the country apart from their relations with the Government or their membership of one of the two Houses of Legislature, at one time or another? Then the Honourable the Home Member said that we must take it as a verdict of the jury, and that we must attach to it the same weight as we would attach to a unanimous verdict of a jury. Now, Sir, I have had something to do with juries, and I know under what circumstances weight is attached to the verdict of a jury, and under what circumstances no weight at all is attached to it. When the evidence is taken in open Court and the public are in possession of the facts from day to day as the trial proceeds, when the learned Judge has charged the jury in public and has reviewed the whole facts and given the law of the case, it is then that the unanimous verdict of a jury is entitled to all the weight that can be claimed for it. But without any of these things the very basis which gives the jury its weight is wanting and the verdict is of no value.

Then my Honourable friend justified the Report of the Royal Commission by the rule of *factum valet*. Here again I regret I am unable to follow my learned friend. The doctrine of *factum valet* is very well known to lawyers. It means that irregularities which had no effect on the essentials or contravene any principle must be condoned when the thing itself is done. Such irregularities must not be allowed to disturb what has already been accomplished. We have heard of an adoption or a marriage not being allowed to be questioned on the doctrine of *factum valet*, if all the objections urged against it are mere irregularities which do not go to the very root. I ask the House in the present instance whether it can possibly be said that the objections we take to the Report are mere objections of form and irregularity which do not touch the merits. The objections we take are objections which vitiate the whole proceedings, which go to the very root of every recommendation that the Royal Commission has made, as I shall proceed to show when I deal with the various paragraphs of my amendment. That being so, there is no justification whatever for invoking the doctrine of *factum valet* in support of the Report.

Now, Sir, I shall follow the course which the Honourable the Home Member has followed, and only deal with my amendment in a general way as the Honourable the Home Member has dealt with his Resolution. I shall, with your permission, lay it bit by bit before the House, and as I do so, make a sort of running comment to explain any points which I may think are necessary to be explained.

Now the whole scheme of the amendment is quite clear. It is divided into two parts. The first part gives the grounds upon which

we say that no effect should be given to the recommendations of the Royal Commission. It also gives the constructive proposals we have to make in the light of the facts stated. The second part deals with the grievances, or rather refers to the grievances of the present incumbents in the various grades of Services.

In Part I we contend that the recommendations of the Lee Commission should be wholly rejected. In order to establish why this should be so, my task is facilitated by the Resolution which has been moved on behalf of the Government. I think, Sir, I can show to the satisfaction of this House from the terms of that Resolution itself that the Government is in full agreement with us in thinking that the recommendations of the Royal Commission should be wholly laid aside, and that our conclusions, if we have to form any, should be based upon facts quite independent of those recommendations. Now let me for a moment turn to the language of the Resolution. What is said here is that :

“ The following recommendations of the Royal Commission on the Superior Civil Services in India be *in principle* approved.”

What is the meaning of being approved in principle ? What is the principle that this Royal Commission has laid down ? We may as well look for a needle in a hay stack as try and find out a principle in the Report of the Royal Commission. It is a string of *ipse dixit*s, a series of bald statements, of inferences and conclusions, supposed to have been arrived at upon evidence which is not before this House. But I will assume that there is a principle in these findings, in these recommendations. If that be so, where is the acceptance of the recommendations themselves ? When a recommendation is made and you only accept it in principle, do you accept it in the form in substance or to the full extent it goes ? You certainly do not, and that being so, I say, and say with confidence, that there is not a single recommendation of the Royal Commission which has been accepted by the Government as it stands without qualifications and modifications which have not been disclosed and which for aught we know may change the whole face of the Report. The approval *in principle* applies to sub-clauses (a), (b) and (c) of clause (1) as well as clause (2) ; but when we come to clause (2), we find another word, a tell-tale word. What this House is asked to do is to approve the principle that “ pay, passage, concessions and pensions be granted to the officers of the Superior Civil Services in India *approximately* on the scale recommended ” ; not exactly, but *approximately*. Again in clause (3) we find the same important words *in principle*. The clause runs :

“ That the recommendation of the Royal Commission regarding the constitution of Provincial Medical Services in Governors' Provinces be accepted *in principle*.”

And this adoption in principle is further diluted by the sub-clauses being subjected to certain conditions.

Now, Sir, if any principle can be deduced from this Report and the recommendations of the Royal Commission, the principle is that the existing Services should be paid more money and that fresh recruits should be better treated than they are at present. Does that fact deserve to be dignified by the name of principle ? Was it not known, was it not common knowledge in this country and in England before this galaxy of gentlemen of great intelligence and high position met together and spent

five lakhs of the money of the tax-payer to lay it down as a principle ? The real fact is that the Government themselves are not desirous to take the recommendations as they stand without qualification, and the whole idea of the Resolution, as I read it—and Sir, I read the lines as well as between the lines, and put upon it the meaning which any man of affairs will put is simply this, in the name of the recommendations of the Royal Commission give us a free hand to do what we please, because anything and everything can be justified as coming under the principle of that Report. Now, Sir, what is the position ? As I have said, the people do not want it, and I have shown, the Government cannot accept it in its entirety. The press has pronounced against it, not merely the Swarajist press, Sir, but also the press which we all know represents the interests of the Services themselves. In this connection may I be allowed to refer to a short note which appeared only two days ago in the "Pioneer," that great champion of the officials all over India, and also in England ? What does the writer say about this third clause, which was subsequently added to the Resolution of my Honourable friend ? He says :

"The Government Resolution to be moved in the Legislative Assembly on Wednesday has been extended by the inclusion of a third clause dealing with the Lee Commission's proposals for the reorganisation of the Medical Services. As we expected, the Government cannot recommend the acceptance of the principle of these proposals without considerable reservation."

So here we have it, that the Government are not prepared to accept even the principle without certain reservations. Then he says :

"For reasons which have been given at some length in the columns of the *Pioneer*, these reservations are most important and will probably require practically a complete review of the whole question involved."

Then the writer proceeds :

"It has long been recognised that the scheme in the light of the present state of recruitment would be quite impracticable. We doubt indeed whether the Government can contemplate the adoption of even a part of the proposals made without further investigation of the whole subject of the Medical Services in India."

Now that may be taken as a fair sample of the views of the press and of the Government as regards the whole of the recommendations of the Royal Commission. So that we are, Sir, exactly where we were before the Royal Commission came, and that I submit on the showing of the Government themselves.

I will now, with your permission, take the various parts of my amendment, and in dealing with them I shall refer to such points as the Honourable the Home Member has tried to make about some of the clauses. I say in my amendment, "that the recommendations of the Royal Commission on the Superior Civil Services of India be not accepted," and the first reason I give is :

"(a) That the Royal Commission on the Superior Civil Services in India was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly."

Now, Sir, a few facts, of which the House is probably well aware, are to be borne in mind. I will only give three dates.

On the 26th January, 1923, a motion for adjournment of the House was passed. That motion was made on the decision of His Majesty to appoint this Royal Commission. The motion was carried without a division. Then, on the 17th March of the same year, when the Budget came up for discussion, a motion was made to omit the provision for the expenditure to be incurred on account of this Royal Commission, and that

motion also was carried. Lastly, on the 28th March, 10 days later, His Excellency the Governor General in Council restored the grant—not His Excellency the Governor General but the Governor General in Council. Thus the Royal Commission was forced upon the country in spite of the protest of the first Assembly—a protest which was backed by the general feeling and the general opinion in the country and in the press. It is believed that the Government of India themselves were at one time against it. In the report of the debates on this motion I find that my Honourable friend the indomitable Dr. Gour threw out an open challenge to the then Home Member, Sir Malcolm Hailey, to deny that that was the fact, namely, that the Government had at one time expressed their opinion against the appointment of this Commission. Sir Malcolm Hailey, with his usual ability as a skilful fencer in debate, avoided a direct answer to that challenge, but treated the House to a dissertation on the ethics of office and on the etiquette and conventions of men in high office, saying that he would not be tempted, whatever Dr. Gour might say, to give a direct answer. Now, Sir, I was not then a Member of this House, but the report of the proceedings leaves no doubt in my mind on the point. It may be that the Government were not at the time when Dr. Gour put the question and threw out the challenge, against the appointment of the Royal Commission; but there is no doubt that at some time or other they were against it. There was an “ultra-Conservative” Government in England in those days and there was a “reactionary” Secretary of State—the adjectives are not mine, Sir, but were used by Sir Malcolm Hailey himself. There is no doubt that the Government of India had to bend before the will of the Government at Home; and having done so it was but natural for the Governor General in Council to certify the grant which had been refused by the House. Now, Sir, we are asked to swallow all this, to put our seal of approval on these proceedings, and to consider this Report as if it was a Report made by a Commission under the sanction of this House, and the money spent was the money which this House had allotted for it. I make free to say that if the Government in England, which rode roughshod over the will of the people of India, had now been in power I should certainly have refused even to look at this Report (Hear, hear); but we know that the present Government and the present Secretary of State are not, either in fact or by any fiction of law or convention, responsible for the action taken by their predecessors. We know also what was stated in the House of Lords in the recent debate and what we are in all sincerity of purpose expected to do by the present Government. It is the present Labour Government and not their predecessors who have invited us to express ourselves upon the merits of this Report, and in common courtesy we are bound to accept their invitation and go into the merits. But I wish to make it perfectly clear that we do not abandon this plea—if I may use the language of law,—this plea is in bar. I rely upon it as a strong reason why the recommendations of the Royal Commission should not be accepted at all.

Now, Sir, in this connection there is another important fact which deserves to be noticed. It is this—that the two great divisions of political thought in India, namely, the Congress, including the Swarajists, and the Liberals including the Moderates, both pronounced against this procedure and were from the beginning opposed to the constitution of this Royal Commission. The Swarajists and the Congressmen were of

course by their very creed unable to take part in the proceedings, but the most remarkable fact is that all the Liberal Associations in the country officially resolved to boycott this Commission, and if a stray Liberal here and there gave his evidence—as I know some did—it was in his own personal capacity—he represented neither his association nor his party nor his country. That being so, I ask what is the value of such a Report, of recommendations which have been arrived at on practically one-sided evidence, of proceedings in which the public, the real masters, had no say at all and the holding of which in itself constituted an insult upon the public? So that, Sir, although we do not reject the Report on that one ground, we do ask His Majesty's Government to give the facts that I have just stated their proper weight, and giving them their proper weight, to do as they would have done if they were in our position. I ask the Labour Government to put themselves in our position and to treat this Report in the manner in which they would have treated it if they had been ignored as we were (Hear, hear.)

Now, Sir, I will come to the next clause, clause (b) of my amendment, which gives the second reason why the recommendations should not be accepted :

“ That all questions affecting the Civil Services are inseparably connected with, and entirely dependent upon, the larger question of the grant of responsible government to India and cannot be entertained and satisfactorily dealt with unless and until the Resolution of this House on responsible government adopted on 18th February 1924, is substantially complied with.”

It is impossible to conceive how any Service can be properly organised until we know exactly who will be the master that public servants will have to serve. Who can tell, before the final settlement of the question of the grant of responsible government to India, what will be the nature of the services required, who will be the persons qualified to enter those Services and what should be the terms upon which those Services are to be recruited? Now, my Honourable friend referred us to certain extracts regarding the position of Services *vis-a-vis* any form of government and he quoted from Professor Ramsay Muir that as regards the carrying on of the daily administration and the enforcement of the existing laws which is nine-tenths of the business of government, this country, *i.e.*, England, was governed by a pure bureaucracy. Now, my Honourable friend will pardon me if I say that he need not have quoted those passages. There is not the least doubt about the principle. No one has ever said in this House or outside it that the carrying on of the daily administration and the enforcement of the existing laws is any part of the duty of this House or will be any part of the duty of the responsible government which may be set up hereafter. But these quotations refer to a different state of things. They refer to a state of things which assumes the employment of a permanent service to instruct the changing Governments which come in and go out from time to time; and in those circumstances you may call the permanent service, it may be, in a sort of vague manner, a bureaucracy. The kind of interference this House claims to be entitled to make, and the responsible government when it is established will be entitled to make, is shown in a book of greater authority than Professor Ramsay Muir's book which was referred to by the Honourable the Home Member, I mean Sidgwick's “ Elements of Politics.” At page 460 the author says :

“ As regards the organisation and management of the whole executive organ it clearly belongs to the Legislature to define the powers of officials and to determine

what special privileges or liabilities it may be for the public advantage to allot to or impose on any class of servants of the Government, and generally lay down the conditions of appointment and tenure of executive offices."

This, Sir, is what we want. We are not asking to be allowed to interfere from day to day with the actual carrying out of the laws or the policy of Government. We claim the right to lay down that policy and to enforce it, and if public servants would not enforce it, to have the right to exercise our disciplinary jurisdiction over them and to dictate to them from time to time what is their duty. Then Sidgwick goes on to say :

"We have seen that experience alone can determine the degree of minuteness to which the financial control exercised by the Legislature over the executive should be carried so as to secure the maximum of economy without impairing the general efficiency of the organ or its power of promptly meeting sudden calls for special activity. On the other hand for reasons before given the Legislature should be prevented, by law or custom, from interfering in the selection of individuals to fill vacant posts, or in the particular allotment of tasks to them, within the range of business assigned to the department to which they belong."

That, I take it, Sir, is a correct statement of the law upon the subject and it is for that that we contend. These are more or less matters of elementary learning.

Then, as to the bureaucracy in England, we have got some very descriptive names in English and Colonial law for the permanent service; for instance we have the very expressive word "Mr. Mother country"; a gentleman who is specially versed in the laws of England and the routine work and procedure and whose business is to instruct the Government for the time being, which is generally composed of laymen. I have no objection at all to not only one but a dozen Messrs. "Mother-country" coming over here and instructing us. Now what is the theoretical relation between the political chief which we aspire to be and the permanent subordinates which the Civil Service must become sooner or later. Here it is :

"The political chief furnishes the lay element in the concern; his function is to bring the administration into harmony with the general sense of the community and especially of Parliament. He must keep it in accord with the views of the majority in the House of Commons and conversely defend it when criticised and protect it against injury by any ill-considered action of the House," and so on.

This is from Mr. Lowell's book on the Government of England.

I therefore ask whether the policy you are pursuing is a policy which has any relation whatever to the grant of responsible government to the country. It may come to-day, it may come to-morrow, it may come ten years hence; it may come a hundred years hence. This policy is certainly not a policy to lead us to responsible government at any time. Mere substitution of Indian for English public servants has nothing whatever to do with the changes which must necessarily come the moment real power is invested in this Legislature and in the representatives of the people. We do not want simply a brown bureaucracy to be substituted for a white bureaucracy. We want substantial powers in the representatives of the people and, if our white friends would care to stay and take part in our affairs after we have got those powers, we will be very glad to see them as representatives of their community in this House.

3 P.M.

I now come to clause (c) :

“ That the terms of reference to the said Royal Commission and the recommendations made by it involve the perpetuation of an antiquated and anachronistic system of public services without any attempt to reconstruct the administrative machinery to suit the present day conditions of India which are widely different from those prevailing when it was inaugurated.”

Now, I would like to make it clear to the House that I have nothing to say against the gentlemen who are in the Service at present or who have been in the Service in the past, or even against those who might come into the Service in future. It is the system that I attack and I attack it with all the strength at my command. This system I say is the survival—I will not say of barbarism, but of the conditions of 110 years ago when we were taken as a primitive people and the English Government began to bring us up in the knowledge of citizenship and civic duties. It was in 1813 that the Indian appointments for British youths were reserved for those trained in the Company's College at Haileybury. Since then the system that guarantees the conditions of service remained practically the same, with this exception that the pays, pensions and allowances were from time to time increased. It is the old *má-báp* system inaugurated in 1813 which we find in force in the year of grace 1923. (*A Voice* : “ 1924.”) Yes, 1924, one year makes no difference in the life of a nation. What I submit is that we are no longer in the *má-báp* period and that the *má-báp* principle will not now help you to govern the country. If you want to be here, if you want to take part in our affairs, it has to be under a *bhain-bhai* system and not a *má-báp* system. We are willing to treat you as brothers and sisters if you will treat us as brothers and sisters ; but no more of your *má-bápism*.

Well, Sir, as I have already said with reference to the previous clause, it is one thing to improve your services, it is one thing to make them fit for the growing requirements of the times, but it is quite a different thing to reconstruct your Services and your administrative machinery in accordance with the change in the Government which is bound to come sooner or later. In support of this, I shall, with your leave, Sir, read a few passages from an excellent article which appeared the other day in the *Times of India*. I read it, Sir, because the point I am now making is so well put that I could not have put it better. I adopt it as a part of my argument. Sir, I am again quoting from an Anglo-Indian paper, Anglo-Indian in colour, in spirit and in mind. (*Mr. M. A. Jinnah* : Better than the *Pioneer*.) Yes, better than the *Pioneer*. Well, Sir, this is an article which appeared on the 29th of August 1924 and here is the passage that I wish to read. Treating of the administrative foundations of political progress, the writer says :

“ The root of the whole difficulty would seem to be that Indian opinion does not believe that the Services, as at present recruited and organised, can fit harmoniously into the scheme of a self-governing India. This appears to raise a question not easily dismissed by the enunciation of common-place truisms. For reflection shows that the problem has never received adequate examination. There is no gainsaying the fact that while much attention has been devoted during the last few years to the question of political reform and constitutional progress, the reform of the administrative machinery of the country has been very largely neglected. Has any responsible person, either in India or in England, seriously sat down to think out the kind of Public Services which India really needs, and in consequence to arrive at some estimate as to the extent to which the present staffing and recruitment of the administrative machine really correspond with this desideratum ? And yet, on the face of it, there would seem to be very good grounds for such a step. The political and constitutional progress of India is of a kind which is likely at length to assimilate

her to those countries in which responsible government obtains. Yet the Public Services of India remain entirely different in type from the Public Services in other countries. Their position is more dignified; their emoluments are incomparably greater."

And then he goes on :

"But are we justified in assuming that these concessions (of pay and allowances) are the due of future entrants, until we have convinced ourselves that the system by which the Public Services are staffed and recruited is what the country really requires? We are not here concerned to raise the question of Indianisation, which has, it will be obvious, an important bearing upon the subject. We desire to take the broadest view. India is rapidly advancing along the lines of political reform; but the system of her Public Services still retains the characteristics of a paternal regime which is now every day vanishing further and further into obsolescence."

One more passage, Sir, before I finish with this :

"There can, of course, be no question of tampering with the rights of the present generation of public servants. But in considering the question of recruitment, the problem we have indicated arises in an acute form. Are we justified, without the most careful and the most meticulous investigation, in perpetuating a regime which took its rise in conditions now long passed away?"

Now, Sir, this is really the case I make in clause (c). It has been put clearly in this article by the writer.

I now go on to clause (d), and shall very briefly deal with it and the remaining clauses as I am afraid I am going beyond my time-limit.

Clause (d) runs :

"That the said terms of reference to the said Royal Commission and the recommendations made by it are based on the unwarranted assumption that the existing system of Government both Central and Provincial and the present position, powers and functions of the Secretary of State, the Governor General and the Governors of Provinces would continue indefinitely."

Now, Sir, there is no doubt that the Royal Commission, while they certainly have in contemplation—as they say at the beginning of their recommendation—the progressive realisation of responsible government in this country, have consciously or unconsciously made recommendations which have the opposite effect, as I shall show presently. But, taking the recommendations as they stand, they come to this that it will take 15 years to bring us to a proportion of 50 per cent. of Indians in the Superior Executive Services.

That is to say, in the year 1939, we shall have that proportion, and those who shall have entered in that lucky year will have another 25 years at least of official life to run. The complete Indianisation will thus be delayed for 40 years even if there is no further recruitment in England. But the ratio of 50 per cent. is to be kept up even after 15 years by fresh recruitment where it will remain—for how long we do not know; may be the Greek Kalends.

I was very much pained, Sir, at the reference that was made by the Honourable the Home Member to the phrase "mercenary hordes" which he said had been used to describe the British Services. I do not know if he heard it in this House or elsewhere, but so far as my information goes no Honourable Member in this House has ever permitted himself to use that expression.

The Honourable Sir Alexander Muddiman : No, I did not hear it stated in this House. I read it in some paper.

Pandit Motilal Nehru : I am very glad to hear that. I cannot think of any Honourable Member of this House referring to the Services, and

especially the British Services, as hordes of mercenaries. The whole point is this, that the Services generally are an anachronism at the present day ; and I take the liberty to say of my Honourable friend the Home Member that he himself is an anachronism, a very costly anachronism. But no Member of this House has ever said anything whatever against the actual discharge of the duties by the British element of the Services as a whole. They are not wanted because their continuance in the present condition of things is not consistent with the progress that has already been made or will be made in future.

Now, Sir, I come to clause (e) which runs as follows :

“ That some of the recommendations of the Royal Commission are intended to deprive the Legislatures even of their existing powers by suggesting devices to transfer items of expenditure hitherto subject to the vote of the Assembly and the Provincial Councils to the head of non-votable items.”

That is a matter which has not been dealt with by my Honourable friend. I refer in this clause to the recommendations made in respect of passages in paragraphs 36, 37, 64 and 65 and also to the Provident Fund contributions dealt with in paragraph 87 and to the re-appointment by the Secretary of State of officers already appointed by the Government of India so as to have the benefit of non-votable salaries.

The Honourable Sir Alexander Muddiman : Would the Honourable Member mind giving the references again ?

Pandit Motilal Nehru : Paragraphs 36 and 37, and 64 and 65. Provident Fund Contributions—paragraph 86. Re-appointment of officers, paragraph 89. Now, Sir, it is often necessary for the best of objects and from the best of motives to resort to devices. But when a device is intended to curtail the liberty of the people—such scant liberty as has been allowed to them—you cannot expect them to applause either the object or the motive. What have the Royal Commission done ? In respect of passages their recommendations come to this :

“ We recommend that officers are entitled to passages. But we know that passages are subject to the vote of the Assembly. We do not want this new-fangled Assembly or the Provincial Legislatures to have at their mercy these officers for whom passages are essential. We therefore say this, that although it is an allowance for passages, although it is no part of their pay, although they are not entitled to spend it as they would their own pay, yet in spite of all this call it pay, add it to their pay, and say that it is pay, and then, when it is time for the Accountant-General to pay it is not to be paid to the officer. It is to be paid into a special fund called the ‘ Passage Fund ’ and kept apart, and when the particular officer requires a passage, it is then to be paid to him as passage money.”

It comes to this that passage is an allowance ; it remains all along a passage allowance ; it is paid as passage allowance ; it is not drawn as pay, but simply to take it away from the vote of the Assembly or the Councils they say there is no harm in calling it pay although it never was intended to be any part of the pay.

This applies also to the Providential Fund (Laughter)—I mean Provident Fund.—I wish it were Providential for in that case it would be no burden on India.

Then we come to the reappointment of officers. There are certain officers appointed in England by the Secretary of State. There are certain others who are appointed by the Government of India. The officers appointed by the Secretary of State are not under our control as regards

pay and allowances. With regard to those appointed here, their pay and allowances are subject to the vote of the Assembly or the Councils. There is nothing easier than to ask the Secretary of State to reappoint these men, in order that these men may get out of the clutches of the Assembly, and the Royal Commission have recommended accordingly. This is how we are expected to advance step by step to responsible government.

The next paragraph of my amendment deals with racial discriminations and runs :

“(f) That the said recommendations have introduced racial discriminations in the treatment of the All-India Services.”

I shall run somewhat hurriedly through this and the remaining paragraphs and shall simply explain what I mean. In passage concessions there is racial discrimination. That is to say, the concession is to be given only to officers of non-Asiatic domicile. There is racial discrimination also in remittance privileges and the Indian Medical Service, where medical assistance is recommended to be given to Europeans on a racial basis. My friends who will follow me will deal with these subjects more in detail. I shall also for the present pass over the clause which deals with medical service. There are some of my medical friends here who understand the position better than I do and they will place their views before this House.

I now come to the last clause, that the inquiry held by the Royal Commission has been unsatisfactory in that the bulk of the evidence on which the Report is based was taken in camera and no material is referred to or made available to the Assembly. I might have added that they have not even divulged the names of the witnesses, and we do not know what class of people were examined. Now, Sir, this has been passed over very lightly by my Honourable friend. It is a matter to which I attach the greatest importance. A Royal Commission is in its very nature a public tribunal intended to hold a public inquiry. I am surprised that my Honourable friend said that the terms of reference to the Royal Commission did not include an authority or a direction to publish the evidence. I do not think that the terms of reference to any Royal Commission need contain such a direction, because it is in the very nature of things, in the very nature of its constitution, in the very nature of the inquiry it is to hold, that evidence should be recorded in public, except perhaps in cases where there are special reasons for not recording it in public ; for instance, there may be one, two or more witnesses examined in camera, to avoid State secrets from being divulged. What is most surprising is that a string of recommendations is placed before us and we are asked to accept it as it stands. As regards the passage and other allowances, there is absolutely no reason given for allowing them and there is absolutely no evidence cited to support them, yet the Government of India have by some intuition or inspiration come to know that the recommendations are quite necessary. The only reason now given is that the members of the Royal Commission were all for allowing them. Now, Sir, if that were any test, I think it will save a great deal of public money if we abolished all the Appellate Courts in the country and simply appointed honourable men as Judges of Courts of first instance and made their judgments final for all time to come. I have never heard, Sir, that any person, however high, whatever his position, however great his attainments, can take shelter under his ability or attainments when called upon to support his conclusions by the evidence that he may have taken. But here again, I have something to tell the House which will perhaps surprise Honourable Members.

It has been stated that this inquiry in camera was conducted in deference to the wishes of the witnesses, and at page 61 of the Report it is stated :

"In our view it was of paramount importance that, to guide us in our investigation, we should be able to ascertain the genuine opinions of witnesses on the matters at issue, however: confidential or controversial the latter might be. There were likely to be many witnesses, Indian as well as European, who would shrink from expressing, in public, opinions which they conscientiously held but which if published in the Press might involve them in political controversy. Had the Commission decided that it would hear no evidence which was not given in public,"—*nobody ever expected any Commission to decide that*—"witnesses of this kind—who as it proved were by no means the most vehement in their tone or the most extreme in their demands—would, to a large extent, have declined to speak freely."

Then, the Report goes on to say :

"That if a witness decided to be heard in public, representatives of the Press were admitted to record his oral evidence, and received his written statement as well."

Then again :

"The record shows that, of the 411 witnesses who gave oral evidence, only 152 elected to be heard in public."

Now, Sir, let us test these statements. I shall rely for my facts on another newspaper of equal standing in the official world in another presidency as the "Pioneer" and the "Times of India" are in the United Provinces and Bombay, respectively : I mean the *Madras Mail*. The writer is a gentleman who, although he has not disclosed his identity, is evidently a member of the Civil Service as the facts that he gives clearly show. He says :

"One Service Association sent in its memorial and appointed some of its members to give evidence. Before the arrival of the Commission in Madras, the Secretary of the Association received a wire from the Secretary of the Commission asking whether the Association desired to give evidence in public or in camera. In public was the reply. When the Commission arrived in Madras and on the day before the evidence of the Association was to be taken, the Secretary of the Association received a request from the Secretary of the Commission by telephone asking him to apply for the Association's evidence to be taken in camera. It was too late for the Secretary to consult the general body of members, and as a definite request had been made by the Commission, the Secretary and those members of the Association who could be consulted agreed to send an application that the evidence should be taken in camera. After the application had been sent several members protested strongly but the step had been taken and nothing could be done."

Then he says :

"One of the two service representatives had put in a memorial which dealt candidly and faithfully with the question of the retention of the European Services and the Commission were anxious not to examine him on his memorial in public. The outcome of the matter was that the evidence of the service representative was taken in camera so far as it related to the joint memorial, but"—*and now comes the important part*—"the representative who had submitted independent views as a reply to the first interrogative, declined to be examined on the independent memorial in camera and after some deliberation, the Commission decided not to examine him at all."

It is clear that the writer speaks with knowledge that no one outside that particular association could possibly possess. The communication to the press was made with quite a different object, and not the object for which I am utilising it. What the writer says is : "It is true that the Royal Commission failed to take evidence in the proper way. But it is not our fault. It is not the fault of the Services, and there is no reason why those Services should suffer." And he points out that they took every precaution to see that their evidence was taken as publicly as possible. But is there now, Sir, after knowing these facts, any justification for saying that

the witnesses—some of them bank men and some commercial men—were so very nervous of giving their evidence in public that the Royal Commission was obliged to hear them in camera. How far is the claim of my Honourable friend that we have been treated very well sustainable after this ? Now, Sir, these are the reasons ; they are not exhaustive but they are the reasons on which we ask the House not to identify itself with any part of the recommendations of the Commission and not to accept any one of those recommendations. Then we go on to make constructive proposals, proposals which suggest the measures that were indicated in the article of the *Times of India* on which I relied for the reconstruction of the administrative machinery to suit it for the present day needs of the country. My Honourable friend has referred to the question which the Commissioners put to themselves. He referred to page 18 of the Report where it is stated “ In the days of the Islington Commission the question was how many Indians should be admitted into the public services ? ” It has now become “ what is the minimum number of Englishmen which must still be recruited ? ” My Honourable friend further said that that showed the march of events and the progress that the country had made. If I may be permitted to formulate a question of my own, it will run something like this. “ Is there any reason whatever why any Europeans at all should be retained in this country unless their services were required as experts or because they possessed special technical knowledge ? ” That is the standard which should be applied. I do not say that that means that the European Service should be abolished. No. I say that the standard of qualification for service in India should be not because a certain proportion has to be retained, but because a certain kind of work has to be done for which the Europeans are especially qualified. Then I will be the last person in the world to share the suspicions of those to whom my Honourable friend was referring when he said that the services were supposed to come out here for their own selfish ends. The Honourable the Home Member then refuted this imaginary charge by referring to the small number of recruits that come out to India every year and said. “ Can that state of recruitment mean that these people have selfish ends of their own ? ” Now, I must say that everybody who takes up a service for remuneration has a selfish motive and selfish end to serve quite apart from his public duties. But I do not wish to say that these hard-worked gentlemen who come here, so far away from their native country, and who work honestly do so only for selfish reasons. Of course, there is a selfish element in the most unselfish work of which you can conceive. Nobody will deny that. But it is quite a different thing to say that a public servant comes out to this country with selfish motives. The selfish motives with which we charge the British Government lie elsewhere—not in the motives of the Services but in the motives which lie behind the maintenance of the Services. The selfish reason, however, is the maintenance of the grip over India for all time to come. That is the selfish reason. It is not that ten, twenty or a hundred young men from England should come out here every year and be provided for. No, certainly not. What we mean by selfish motives is that you are entering into our daily life day by day to such an extent that it will take—I do not know how long it will be—hundreds of years for us to shake ourselves free of you. What we want is that you should give us the right to walk erect in our streets and then you can come in any numbers you like. Come as our friends, come as our neighbours, not as our rulers.

Then I come to Part II of my amendment, which speaks for itself. We have made our position fairly clear. We have said that we will not accept anything until we are satisfied that the recommendations of the Royal Commission upon that point are correct; and, in order to satisfy us, we must have the materials that the Royal Commission had or any other materials which are likely to satisfy us. We are not sticking to the nature of the materials or the evidence. How can you expect anyone whom you ask to give money for a certain purpose to be prepared to give that money unless and until he has satisfied himself that the money is required and that he can afford it? We cannot accept the *obiter dictum* of the Royal Commission that a certain amount is fair. We must have the materials before us. One argument used in favour of this huge expenditure is the rise in prices. Where in the world have the prices not risen? Where in the world have permanent increases of salaries been given on account of the rise in prices? We know that war bonuses have been allowed in England and in other countries. One of the reasons why the Royal Commission is prepared to recommend this permanent enhancement of salaries is that in India the Services were not given war bonuses. By all means give them something which is temporary. The Royal Commission were satisfied that a case had been made out for a permanent increase in the salaries. But how can you ask us to commit ourselves to an expenditure without satisfying ourselves that that is a proper expenditure and therefore must be incurred from the tax-payer's point of view?

Now, Sir, there is one paragraph in the preamble which I should have noticed. One can understand the grievances of those who have become grey in the Service—men who entered the Service and built high hopes, which hopes were frustrated for some reason or other beyond their control and beyond the control of the Government. But what about the fresh recruits? What about those who entered after 1919 with their eyes wide open as to what they may expect, what they may not expect; who knew that the Government of India Act had been passed and that the country was bound to have a transitional period short or long. Even taking the Government of India Act as it stands, the very least that these gentlemen who entered the Services in 1919 should have known and must have known was that they would be subject to all the vicissitudes which are mentioned here as reasons for giving them increases. It will be insulting their intelligence to say that they did not take that factor into consideration. Are young Englishmen educated in English Universities unable to understand the simple fact that after the passing of the Government of India Act, it may any day happen that from the reserved field of service they may be transferred to the transferred field of service and after being so transferred will be subject to the vote of the Council or the Assembly, as the case may be. If they knew that—and I submit that there can be no reason whatever to think that they did not—then what reason is there to provide for allowances and advancements of salaries on that ground?

Now, Sir, I shall not detain the House at any greater length. But I may be allowed frankly and candidly to say what is the general feeling about this Royal Commission Report. The recommendations of the Royal Commission purport to be a part of the great scheme inaugurated by the Government of India Act in 1919 to enable the country eventually to govern itself by gradually eliminating the European element from the administration. The Act itself was ushered in with a flourish of trumpets, as a remarkable piece of legislation. It was claimed for it that it was a

new departure in the art of governing subject races whereby the Governors were giving to the governed, voluntarily, and in the interests of mankind in general, the right to govern themselves. Now, Sir, in the course of giving that right this Royal Commission was thought of as a necessary step. It was said that as India was progressively being entitled to responsible government something must be done to bring the Services into line with the conditions now prevailing and those which will prevail shortly in the country. What happened? It was a great gift, if it was all that was claimed for it, but as the House is aware, there were some cynical people in the population of India who for the very reason that it was a most remarkable thing which had ever been done in the history of the world, looked askance at the Reforms, at the Act itself. They did the very ungrateful thing to examine a gift horse in the mouth, but no sooner did they do it they found it was a wooden horse! The most venturesome of the cynical people I have referred to above refused to ride that wooden horse, and made up their minds to set out in right earnest to win the real horse, or lose the saddle. The less venturesome tried to ride it; they rode it; they shook themselves violently on it but it was so fixed to a steel frame underneath that it refused to rock. They had in their disappointment to ask that the steel frame may be a little loosened, so as to give some little play to this wooden horse. That request of theirs was listened to; a Royal Commission was appointed; Indianisation was promised; but what was it that was done? To carry the metaphor a little further, some screws and nails were taken from the front and fixed behind this machinery. The result was that it remained as immovable as ever. The result is that they have not even a rocking horse to give them an opportunity to acquire the necessary grip for riding a real horse. Now, Sir, I know my friends opposite think that all this suspicion, all this distrust, is without foundation; but look at the things that are being done from day to day, and what do they come to? They come to this that the British Government are trying to stave off the evil day as long as they can; the evil day when full responsible government will be granted to this country; and meanwhile, for fear lest the day may come sooner than they imagine, what are they doing? They are sinking their foundations deeper and deeper, so that when the day really comes they may have practically nothing to hand over to the next Government, and all that matters may remain in the possession of vested interests. That really is the feeling in this country, and as I have said there is justification for it. I will not go further than this that the history of the past few years since 1919 fully justifies an apprehension of that character. I appeal, therefore, to this House not to encourage that feeling by accepting the recommendations of this Commission, but to throw them out in their entirety. I think I have, by the indulgence of the Honourable the President and this House, given fully my reasons for asking the House to do so.

Mr. President: Amendment moved:

“That for the original Resolution the following be substituted:

‘PART I.

That having regard to the following among other facts, namely:—

- (a) That the Royal Commission on the Superior Civil Services in India was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly;
- (b) That all questions affecting the Civil Services are inseparably connected with, and entirely dependant upon, the larger question of the grant of responsible

government to India and cannot be entertained and satisfactorily dealt with unless and until the Resolution of this House on Responsible Government adopted on 18th February 1924, is substantially complied with ;

- (c) That the terms of reference to the said Royal Commission and the recommendations made by it involve the perpetuation of an antiquated and anachronistic system of public services without any attempt to reconstruct the administrative machinery to suit the present day conditions of India which are widely different from those prevailing when it was inaugurated ;
- (d) That the said terms of reference to the said Royal Commission and the recommendations made by it are based on the unwarranted assumption that the existing system of government both Central and Provincial and the present position, powers and functions of the Secretary of State, the Governor General and the Governors of Provinces, would continue indefinitely ;
- (e) That some of the recommendations of the Royal Commission are intended to deprive the Legislatures even of their existing powers by suggesting devices to transfer items of expenditure hitherto subject to the vote of the Assembly and the Provincial Councils to the head of non-votable items ;
- (f) That the said recommendations have introduced racial discriminations in the treatment of the All-India Services ;
- (g) That the said recommendations make the extraordinary provision that officers appointed to the All-India Services after 1919 as also those to be appointed hereafter shall have guarantees against and compensation for being transferred from the reserved to the transferred field of Service—a contingency which they must be taken to be well aware of when they were appointed ;
- (h) That the recommendations of the Commission regarding the Medical Services are entirely unsatisfactory in that (1) they seek to perpetuate the complicated system of interdependence of the Provincial Medical Services upon the irresponsible Military Department ; (2) they introduce the objectionable principle and a costly scheme of provision for medical assistance to Europeans on a racial basis ; (3) they do not recognise the necessity of the Indian units of the Army being officered by Indian Medical officers ; and (4) they propose to absorb the present Indian Medical Service into the Royal Army Medical Corps (India)—a step which will practically close the door to Indian medical men in the said corps and thereby also in civil employment ;
- (i) That the inquiry held by the Royal Commission has been unsatisfactory in that the bulk of the evidence on which the bald recommendations of the Commission are based was allowed to be tendered and accepted in camera and no material evidence is either indicated or made available to this Assembly ;

this Assembly recommends to the Governor General in Council that the recommendations of the Royal Commission on the Superior Civil Services of India be not accepted and this Assembly further recommends that instead of the recommendations referred to in clause (1), sub-clauses (a), (b) and (c) and clause (2) of Sir Alexander Muddiman's Resolution so far as the latter relates to future entrants into the Civil Services being approved the following steps be taken in respect of future recruitment and control of the Services, namely :

- (i) That all further recruitment in England for the Civil Services in India including the Medical Service under the existing rules be stopped.
- (ii) That a Public Services Commission be established in India and the constitution and functions of that Commission be determined on the recommendations of a Committee elected by this Assembly.
- (iii) That His Majesty's Government be requested to take the necessary steps for the purpose of transferring the powers of appointment and control of the Services now vested in the Secretary of State to the Government of India and the Local Governments, such powers to be exercised under laws to be passed by the Indian and Local Legislatures regulating the Public Services, including the classification of the Civil Services in India, the methods of their recruitment, their conditions of service, pay, and allowances and discipline and conduct.

PART II.

This Assembly is unable in view of the present financial condition of India and on the materials before it to satisfy itself as to the propriety and reasonableness of the recommendations of the Royal Commission in respect of the alleged grievances of those at present holding office in the Civil Services, and cannot with due regard to the interests of the tax-payer assent to the imposing of fresh burdens on the already over-burdened finances of the country.

But, in view of the financial relief that will result from the stoppage of all recruitment outside India under the existing rules as recommended above in Part I, this Assembly is prepared to consider the alleged grievances of the present incumbents as regards pay, passages, concessions and pensions and recommends such measures of redress as may be found necessary, and for that purpose it recommends to the Governor General in Council to take steps for the election of a Committee by this House to enable them to go into the entire question on all the materials available to the Royal Commission including the evidence taken in camera or such other material as may be available and to make its recommendations to this House as early as possible."

The Honourable Sir Charles Innes (Commerce Member) : Sir, I

4 P.M.

should like first to express our acknowledgments on this side of the House of the very moderate tone which the Honourable Pandit has adopted, and I hope, Sir, that all of us in this debate will try to observe the same restraint. I should also like to say, Sir, that we on this side of the House do recognise that in the last part of his Resolution the Honourable Pandit has held us out an olive branch. I am afraid I must make it perfectly clear that we cannot accept the proffered branch, but at the same time we do recognise that the Pandit has made the offer, and we thank him for it. I will not attempt, Sir, in the time at my disposal to take up all the points which the Honourable Pandit has covered in his very lengthy Resolution. In particular, Sir, I do not propose to follow the Pandit in his dialectics about the form of the Government Resolution. He criticised the wording of that Resolution, particularly the words "in principle" and "approximately", and played very prettily with the point. He exercised himself very skilfully in dialectics. But, Sir, I am not a lawyer, and I am not a dialectician, and I take no interest in points of that kind. I am a plain, matter-of-fact person and I can only inform the Pandit that our intention was this. In the first place, we wanted to open the whole of this subject to discussion by the House. In the second place, we were unable to draft a Resolution of any reasonable length which would cover every point raised by the Commission. We desired therefore to make it plain that we accepted in the main the proposals of the Commission, while we reserve the right in minor points of detail possibly to vary those recommendations. My Honourable Colleague on my left will make plain our position in regard to the Indian Medical Service and the reason of the form that part of the Resolution has taken. It was not intended, as the Honourable Pandit tried to make out, to give us a free hand to do what we please under the protection of the words "in principle".

Now, Sir, the first clause of the Honourable Pandit's Resolution makes a complaint that the Royal Commission was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly. I have much pleasure, Sir, in congratulating the Honourable Pandit on his conversion. Hitherto it has been the attitude of the Swaraj party in this House that they alone represent the people of India; and that the first Assembly did not represent the Indian people at all.....

Pandit Motilal Nehru : If I may make a personal explanation, I made it quite clear that in that particular matter the first Assembly was backed by the people.

The Honourable Sir Charles Innes : I am glad to see that the Honourable Pandit does the first Assembly at least that justice. What, Sir, was said in this debate about the appointment of this Royal Commission ? The Honourable Pandit to-day referred to the indomitable Dr. Gour. Let me read to the House what the indomitable Dr. Gour said when this question was debated :

“ I beg to ask, Sir, how is this reconcilable with the statement made in the Montagu-Chelmsford Report, which lays down the programme of progressive Indianisation of the Superior Services for the next ten years ? Are we to go back on that Report ? Are we to scrap it ? ”

Again, Sir, another prominent Member of the House, said :

“ A set-back may be given to the cause of Indianisation. My Honourable friend, Colonel Gidney, suggests ‘ who knows—the Commission may make a recommendation which might accelerate the pace of Indianisation.’ Is it likely, Sir, I ask, that a Commission appointed by the reactionary Government of Great Britain at the present moment could ever help the acceleration of the pace of Indianisation ? ”

The House will see that when the last Assembly got so excited over the appointment of this Royal Commission, they were entirely under a misapprehension as to the scope of the Royal Commission's inquiry. Again, Sir, I must point out to the House that under section 96 of the Government of India Act the services are reserved to the protection and control of the Secretary of State. It seems to me, Sir, that this House has no right to take up the position that His Majesty the King, on the advice of his Ministers, is not at liberty to appoint a Royal Commission of this kind, even though the House may not approve of the appointment of that Commission ; and following that, Sir, I say that, when that Commission has been appointed by the authority of His Majesty the King-Emperor himself, then it is only fitting and right that this Assembly should show some respect to the Report of that Commission.

I pass on to the second clause of the Pandit's Resolution. This second clause deals with the inseparability of service questions from Swaraj. Sir, the Honourable the Pandit, if I may use the same expression again, played very prettily with the metaphor of the wooden horse and he suggested that a wooden horse could not go very fast (*Honourable Members* : “ Could not go at all.”) When the Pandit used that metaphor I do not think he could really have studied this Report and I do not think he could have made any attempt to realise how far the proposals of this Commission go. The term “ All-India services ” dates from the first Report of the Government of India on Reforms. In that despatch they said the All-India services :

“ should be maintained as a model to all the rest and with the object of impressing the seal of the existing system both on the Indian as well as the European elements in them, we consider that recruitment, whether in India or in England, should be according to the methods laid down by the Secretary of State and that all persons recruited should be appointed by that authority.”

And they went on to say :

“ The basic idea is that the structure of the public services, its duties and the general conditions of its employment should remain as far as possible untouched by political changes, at all events till the advent of the first statutory Commission.”

Well, Sir, contrast that statement with the recommendations in this Report ; compare that statement with what Sir Alexander Muddiman told

you about the future composition of the Services, and then ask yourselves whether this wooden horse has not rocked to some purpose ! But, Sir, that does not meet the Honourable Pandit's point. The Honourable Pandit makes great play of the fact that the proposals of the Royal Commission retain control of at any rate two vital services, the Police and the Indian Civil Service, in the hands of the Secretary of State. As I understand the argument, that proposal of the Royal Commission is considered to be a negation in advance of the popular demand for a further constitutional advance, particularly in the direction of political autonomy and the abolition of dyarchy. I do not think it is fair to attack the Commission on that ground. Sir Alexander Muddiman read to you this morning the terms of reference to that Commission. They were not appointed in anticipation of, or in substitution of, the statutory Commission, they were appointed to consider the Services only, and what is more, the Services in connection with the existing state of affairs. They were not appointed to make any proposals for further constitutional advance.

The only connection which they had with further constitutional advance was in so far as that further constitutional advance might have effect upon one of the main subjects which they were considering—that is, the recruitment of the Services. That is, they had to take the contingency, the possibility of further constitutional advance into account merely with reference to that one consideration. And that is all they did. They pronounced no opinion on the question whether dyarchy is or is not a good thing. They pronounced no opinion upon the desirability or otherwise of constitutional advance. They confined themselves strictly to their job. That being so, it seems to me most unreasonable that when their proposals are put before this House, this House should say :

“ We will not accept them because they do not fit in with what we consider to be a necessary measure of constitutional advance.”

If, of course, the position of the House is that they are not prepared to consider any proposals regarding the Services which do not accord with what your ideas may be of further constitutional advance, then I say it is no use continuing this debate. We are not in a position—we have not come here to-day to discuss constitutional advance. We are not here to discuss the question whether dyarchy is or is not a good thing. We are not here to-day to discuss the question of provincial autonomy. We are here to-day to discuss the question of the Services only ; and if you are not prepared to discuss the question of the Services, then why continue the debate ?

Mr. A. Rangaswami Iyengar : How can we discontinue it ?

The Honourable Sir Charles Innes : Mr. Rangaswami Iyengar will have his chance later.

Mr. M. A. Jinnah : What will be the effect of accepting the principle of these recommendations upon the future of constitutional advance ?

The Honourable Sir Charles Innes : The Honourable Mr. Jinnah asks me what will be the effect of accepting these recommendations upon future constitutional advance. I say, Sir, that the effect will be nothing at all. With reference to the question of recruitment the Commission had to take into account the possible effects of future constitutional advance upon the functions which these two Services,—the Indian Civil Service and the Police—are called upon to perform, and had to consider the possibility

of these functions being transferred. And in paragraph 74 of their Report they provide for that contingency. At the same time, in spite of what the Honourable Pandit said, I must again re-inforce the point made by the Honourable Sir Alexander Muddiman this morning that there is a clear and vital distinction between the form of government and the business of administration.

Pandit Motilal Nehru : I never denied it.

The Honourable Sir Charles Innes : What the politician in India is concerned with is the form of government. I will be generous, Sir, and I will grant to the House that out of the 245 millions who live in British India possibly five millions are interested in the form of government. On the other hand, there are 240 millions—again I take a conservative figure—who are not at all interested in the form of government. In every country in the world the mass of the people do not care two straws what the form of government is. All they want is to be governed. All they are vitally concerned with—their peace, their happiness and their security depend upon the manner in which the administration is carried on by the Services. It is exactly here that the Indian Civil Service and the Police come in. The Honourable Pandit said we were now digging our foundations deep in order that when we came to hand over India to self-government we might hand over as little as possible. I say, Sir, there is one thing that the British Government can, will and should hand over to India when India gets Swaraj, and that is, strong, pure, efficient and incorruptible public Services and that, Sir, is one of the main aims and objects of this Report (Hear, hear).

Then, Sir, the Honourable the Pandit said that the Services were an anachronism. He said, I understand, that I was an anachronism. Well, Sir, if I am an anachronism, I am, to quote Mr. Rudyard Kipling, a very pachydermatous anachronism, because I do not admit that I am an anachronism at all. The Honourable Pandit said that the Services are merely a survival. It was suggested very properly by some gentleman on his left that they were a survival of the fittest, but I pass by that point. He went on to say that the Services were a survival from a time which ended very many years ago, that the Services have gone lingering on, and that the only change was in their pay and in their conditions—their pay had been improved and their pensions had been improved. I would like to join issue with the Honourable Pandit at once. I have here some rather interesting statistics of what the pay of some officers was in 1826. The Collector of Customs of Agra drew as pay Rs. 4,000 a month. The Judges of Circuit in the North-West Provinces received as pay Rs. 3,750, Rs. 3,333 and Rs. 2,916 a month. At that time, Sir, the rupee was worth anything between two shillings and six pence and three shillings, and it makes us in these later days—it makes our mouths water to think of the pay our predecessors got. I am prepared to admit that in some respects a change has come over the duties particularly of a District Officer. The Collector, for instance, is no longer connected officially with the District Board or the municipality, but all my information is that though he is no longer President of the District Board and he is no longer the official advisor of the municipalities, at any rate in Madras he does discharge the function of being unofficially the advisor of the President of the District Board and of the Chairmen of the Municipalities and also the advisor of the Ministers. I am told, Sir, by all whom I know both in Madras and in other Provinces who occupy the position which I used to occupy as a Collector

of a District,—and I may say, Sir, that I never wish to have a better time than when I was Collector and District Magistrate of Malabar—I am told that remarkably little change has come over their actual work. And I should like to say more. In the circumstances of India, I do not care what form of government you have, you will always have to have something corresponding to the Indian Civil Service ; you will always have to maintain the unit of the district. If you consider the size of the country, the distances from headquarters, and the number of the population, you will always have to have large districts and you will always have to have some officer in that district who will be the chief representative of Government. You, gentlemen, may change the form of government up here, but you are not going to change the nature of the people of India. The people of India—especially the people with whom we Civilians have to deal—like personal rule. The Honourable Pandit calls that a *ma bap* system. It may be a *ma bap* system, but it is what the ryots and what the ordinary people of this country like. They like some one person to whom they can go with their grievances, and I do not care what form of government you have in India, you must always have someone in that position in your districts.

Then, Sir, I say another thing. I say that it was never more vital than it is at the present time that you should have strong and efficient Services for the maintenance of law and order in this country. Here I am coming on to dangerous ground and I do not wish to say one word which will be provocative to any one. But I do feel that in the last few years—I will not put it higher than that—efforts have been made in this country to sap the foundations of law and order. I put it to this House that no country can be great unless it has that respect for law and order which is the foundation of the social order. In the last few years efforts have been made to sap that respect. Nobody can deny that there is much inflammable material lying about in India. You have your communal dissensions ; you have your caste dissensions ; you have your racial dissensions and you have your religious dissensions. At any time there may be a great conflagration. Now, Sir, I have touched on that matter as lightly as possible, because I just want to make one point. This is the very time which the Honourable Pandit selects for suggesting to the British Government at home that recruitment to the Indian Civil Service and the Indian Police Service, as it now goes on, should be stopped and that means, as Sir Alexander Muddiman pointed out clearly, that you are stopping your recruitment at home altogether. Now, Sir, the British public, the British Parliament are very greatly exercised by that aspect of the situation in India on which I have just touched and is it likely that you can persuade them to stop recruitment of Englishmen and Scotchmen for the Services of India just at this time ? It seems to me, Sir, that if you want to make that request you have selected a peculiarly inappropriate moment for doing so.

I am afraid I have already taken more than my time ; and I shall just say one word more. I come to what is after all the main question which this Report set itself to consider, namely, the question whether relief should be given to the Services concerned. Sir Alexander Muddiman gave you some figures in his speech this morning. He told us that from the beginning of the century to 1912 there had been an increase in prices, in the cost of living, which might roughly be put at between 40 and 50 per cent. He told us that between 1914 and 1923 there had been a further

increase of 60 per cent. ; that is to say, since the beginning of this century the cost of living has gone up in India for the European by more than 100 per cent. (*Pandit Motilal Nehru* : "Only for the European ?") I am dealing with the Services only. Sir Alexander Muddiman also told us, taking my own service only, that the actual increase of pay given to the Services, to the Indian Civil Service, was between 10 and 11 per cent. Now, Sir, I ask you to consider what that means to the Services. Nobody suggests—I would not for a moment suggest—that we should put the Services in precisely the same position as they were twenty years ago. Something to that effect was said in the Montagu-Chelmsford Report, but after all we have got to remember that there has been a war and we cannot expect to go back to the glorious days of the nineties ; but, Sir, I do put it to the House that the figures I have given show that the relief given to these Services in no way corresponds to the rise in the cost of living. In addition I think that you will all admit that the position of the Services has become more and more difficult. It may be natural perhaps ; but at any rate we who have to do the work of Collectors and the other district officials, we know that we are being made the target of attacks on all sides. It does not make our life any more pleasant and at the same time our means of living have got steadily more and more strained. Now, as Sir Alexander Muddiman said this morning, this is not the first time that these facts have been brought before the Government of India. In fact I am in a position to say that we received after 1920 memorial after memorial from all the Services on this very subject. We recognised their difficulties ; at the same time we felt that the financial condition of India was such that we could do nothing for them, and I am afraid that as a result we in the Government of India made ourselves very unpopular with the Services. What has been the result ? The result is that these grievances of the Services have been placed before an impartial tribunal. I regret very much that the Honourable Pandit cast aspersions upon the Indian members of that tribunal. They are men who to my knowledge have rendered very real and distinguished services to India ; and when they are selected for a difficult job of this kind, it is no discredit for this House to recognise their public spirit in taking up their task ; and I think also, Sir, that it ill-becomes this House, when the Indian members of this Commission have made certain recommendations, to say that those recommendations should be rejected because you say you did not elect those Indian members.

At any rate the position of the Government of India is this ; for several years past we have been resisting these demands on the ground that we could not afford the money. Now, these demands have been put before this impartial tribunal ; the tribunal has laid these recommendations before us and we think that in justice to these Services we ought to accept those recommendations.

Our main principle in dealing with this Report—and here again I am afraid that I am fundamentally at variance with my Honourable friend, the Pandit—is that at any rate for these vital services, we should continue to attract the best class of Englishmen to this country. I reject the Honourable Pandit's statement that we should not recruit Englishmen unless they have technical qualifications. My belief, Sir, is that in the circumstances of this country India will for many years to come require Englishmen of the best class to assist her in her district administration ; and, if the Honourable Pandit wishes for further information on that particular point let me remind him of the evidence which was

given not only in Madras but in every province by the depressed classes. Every deputation from these classes pressed not for less but for more European representation.

Sir, I have not been able to answer all the points raised by the Honourable Pandit ; I have not attempted to do so ; I have tried to confine myself to the main points he raised and I hope, Sir, that in justice, in fairness to the Services, this House will accept the recommendations of the Lee Commission.

Mr. K. G. Lohokare (Bombay Central Division : Non-Muhammadan Rural) : To supplement the observations by our leader, Pandit Motilal Nehru, I will speak with reference to the Medical Services. As an humble member of the profession, allow me to submit that the views I express now are the result of considered opinions of about twenty Medical Associations having a membership of almost all eminent Indian medical men in important towns in India as well as of the provincial service and Indian sections of the I. M. S. Associations, and all of them have submitted their representations to Government on the subject before this day. All of them unequivocally endorse the recommendations of the Commission as entirely unsatisfactory.

I examine them one by one. The first is that the Civil Medical Service is to be constituted on the basis of a competitive examination to be held in England and India, and part of it is to be recruited from the military.

In view of making this country capable of meeting the needs of its administration, is it right that an examination for recruitment to a service should be held somewhere else ? The medical and sanitary administrations are the last in respect of political power. Even if officers for such innocent administration are yet to be recruited from outside, I do not know when and where we begin to take up full administrative control. If British statesmen yet demur for extraneous considerations to hand over the entire control of the departments already promised to be transferred, I do not know how long India will have to wait for attaining the responsible status for other branches of the administration. That the Military Department, one which is not responsible to the Legislature, should be the source of recruiting officers for civil administration is an anomaly yet being maintained. The Lee Commission Report not only does not make any progress in control by people of India in this case but definitely takes a retrograde step and no words can describe the feelings of deep disappointment of the Indian Medical profession in this respect.

Sufficiently trained material for taking full charge of the medical administration is available since long in this country. Indian Universities have all been conforming to the standard of the General Medical Council of the United Kingdom from their very beginning, and have been bringing out hundreds of medical graduates equally qualified with the medical men of the United Kingdom, not to say of the medical schools which turn out double the number every year. Thousands of Indians with actual training in the United Kingdom medical colleges are in private practice to-day. The number of Indians holding the highest British qualifications is many times more than the number of the European medical men in India with such qualifications. In research and scientific work too Indians are not behind. At least a score of eminent Indian men have been doing such research work in medical

science as would add to the knowledge of the world. Some of them in Bombay and Calcutta are engaged in research work on their own account—not with the pay and study leave at Government expense! Why, highly qualified Indian medical men do not think of taking up Government service because of the lack of opportunities and the differential treatment meted out to them. With the material available, as satisfactory as even the United Kingdom can lay down, for administration of a Department in India, do you like, my Hon'ble Colleagues, an examination for recruitment for the medical administration somewhere else and power to recruit at least some of them in the hands of a Department irresponsible to the Legislature.

Representations from Medical Unions in important towns in India have definitely condemned the idea and I hope these are in the hands of the Government by this time.

The other recommendations of the Commission are :

- (1) Clinical chairs for the civil services only ;
- (2) Adequate medical attendance for British officers in civil employ ;
- (3) A minimum of British medical officers in the Civil Medical Service ;
- (4) Military reserve in India, R. A. M. C. (India) to be seconded ;
- (5) Adoption of R. A. M. C. (India) as per the Burtchaell Scheme ;

and the Resolution by the Honourable the Home Member includes one more important factor, a factor which was not included in the Lee Commission Report :

- (6) " Consideration of the conditions necessary to secure an adequate number of British medical recruits for the Army "—the bugbear of the whole question, and the result of the machinations of the British Medical Association against the legitimate aspirations of Indians—an attempt to push in the British medical men in the civil under the term—maintenance of attractiveness of Service, so often mentioned in the reports of the various Committees on Medical Services.

The reserving of clinical chairs for the members of Superior Medical Services only is, I submit, an obstacle to the advance of medical education in India. Such reservation excludes recruitment of the best teachers in the profession. The step is no advance. The number of highly qualified recruits is not sufficient for the administration nowadays. The Indian Medical Gazette Magazine conducted by the Indian Service Officers complains of this in service notes in the number of January 1924. To keep this scanty number for the clinical chairs is first to deprive the administration of good material, and secondly to shut the door against persons specially adapted to take to teaching work. Special recruitment open to all on reasonable emoluments should have been the recommendation. I am as well afraid—it is a known fact—it is no teaching work that attracts service men to these posts but opportunities for private practice with all well-equipped facilities at command in Government hospitals and dispensaries. Stoppage of private practice even with a compensatory allowance should have been the first condition for advancement of medical education in India. The Commission

has not given consideration to the needs of medical education in this country and the recommendation in this respect is far from satisfactory.

Adequate medical attendance for British officers in the Civil Service and their families is a recommendation, I submit, vicious in principle, unnecessarily expensive to this country and an excuse or a device to put Europeans in important places, wherewith they may ascend to higher administrative appointments on the strength of having held important places formerly.

I illustrate the point. Because Agra contains a fairly large number of European officers and because they want medical aid at the hands of a European doctor, therefore the Civil Surgeon of Agra must be a European. Next comes the argument because Doctor X. Y. Z., of the Indian Medical Service, has held charge of an important place like Agra he has better experience than others—he must therefore naturally supersede an Indian above him and get the higher appointment. This is the device at the back of this recommendation. Had the recommendation been for purely medical aid to British officers—the Commission would have recommended separate posts for them having nothing to do with the other administration. Moreover, this soft corner argument stands not the least chance of being reasonable. We Indians wonder if it is from those who have come here to give us lessons in everything—Moral and Material. Science knows no colour, it is world property—that the scientific benefit must be doled out by persons of a particular colour is an inheritance of a part of the property of Indians—the property of the caste system—which the Indians are happily slowly parting with, and it pains us to see it thus sticking to those who for good or evil have been with us.

Besides the experience of eminent Indian medical men is otherwise. The representation from the Bombay Medical Union, that is already in the hands of the Government, says it distinctly. That the Commission, especially the European members, should have yielded to such an argument of colour and caste to say the least of it speaks against them. The unnecessary burden of expenses of travelling to and fro with an excuse of illness would be nothing more than a holiday trip expense of an officer with his family and children, saddled on to the shoulders of the poor Indian tax-payer. I am afraid it is not worth more than trash.

The recommendation of a minimum of British officers in the Civil either for administrative or for caste privileges of officer's purposes is already dealt with. But a peculiarity in it lies in the recommendation of the Commission in leaving control and determination of this number to the Secretary of State. It thus excludes the Indian members of the R. A. M. C. (India) cadre to be seconded to Civil. This is a step retrograde in effect to the existing arrangement and is a device that the recommendations of the bureaucracy should be worked up in the dark, while the Indian tax-payer should pay for it. If the needs of administration of the transferred departments are to be looked after by the Indian Member in charge, why should he be deprived of this part of the administration too? Firstly, this theory of a British minimum in such an innocent department as the Medical cannot stand, and secondly, if it at all stands, why should the tax-payers not decide how much and in what manner the burden is to be shouldered. The Commission has been taking a retrograde

step—taking away the power out of the hands of the transferred department. Moreover, this minimum element theory entails a permanent loss to India. The officer, with all facilities for experience at the cost of Indian tax-payer, leaves this country with his bag and baggage, depriving her of the treasure of his knowledge and experience which he has gained at the expense of India.

Another recommendation of the Commission has to do with the vexed question of the “Economic employment of the Military reserve in Civil”.

That the Army in India requires a ready prepared war reserve always on the standing cadre is an assumption on which the Army department has been saddling the Civil administration in this country. Let me once for all mention that it is peculiar to India and I do not know why Indians and British statesman too should yield to the theory when they find no such reserve ever employed in any other country. The purpose can best be served by the Civil Medical service officers being put on the reserve list, with a training to begin with and a tour of service with the Army or the Territorial Forces at short periods. A large reserve can thus be maintained, and the “economy” so loudly talked of at least by the Military Department in India, when it can manage to be burdensomely heavy in other respects, can be effectively carried out to the best interests of both the civil administration and the military requirements too. I am sorry the Services Commission have dealt with the question so inequitably.

One more recommendation of the Commission is “adoption of R. A. M. C. (India)”. They have not said whether this Corps admits Indians at all. The R. A. M. C. is not open to Indians. The Services Commission probably acquiesces that Indians may not enter the Army Medical Corps. Unless the contrary is actually notified by the Government of His Majesty, I am afraid India stands to lose everything by this recommendation of the Commission at this stage at least. Secondly, this Corps is recruited in England only. It is unfair that an Indian because of his sin in being born and bred in India, is to spend money on foreign travel and education and thus pay a heavy indemnity to take his chance of being recruited for the service of the Army of his mother-land. In spite of the professional educational facilities, Indians have to pay this penalty. Granting that half of the number going to England for being recruited succeeds, it means for one recruit India has to spend for two—an amount of not less than Rs. 30,000 per head. The Commission undertook the responsibility of this penalty to Indian parents, but would not advise training facilities and examination here.

The last point, but of first importance, is the last part of the Resolution moved by the Honourable the Home Member which did not form part of the recommendations of the Services Commission. We are told here to admit another principle by which the civil administration will be perpetually enslaved to the military department, irresponsible as it is to the Indian Legislatures. The point is “conditions necessary to secure an adequate number of British recruits for the Army.”

I have already said it is referred to as the necessity of maintaining the attractiveness of the Military Medical Service in the reports of various Army and Medical Committees, and this attractiveness lies in the Military Service officers occupying posts in the Civil for ever. The number is nearly half. Instead of the Military Reserve being far below that, a good

many officers, far more than the Military Reserve requires, are being drafted to civil employment. The Medical Services Committee has accepted that the Civil Departments are saddled with a far larger numbers of these officers than the Military reserve. So far this attractiveness lies in private practice in civil, and the result is inefficient Army Medical Service. I will here quote the words of the Esher Committee's Report :

"It was maintained that the officers of the latter services (I. M. S.) lack the necessary training for work in the field though quite as efficient professionally as the Royal Army Medical Corps and also specialised. This defect is attributed to their inferior military training."

These are the words of the Esher Committee Report. This factor creating inefficiency in the cadre ought to have been immediately dispensed with, and the Army cadre been restricted to the Army only, and made to serve the purpose best for which the cadre is meant. It is no use spoiling both the civil administration and the military efficiency by putting forth this attraction. The R. A. M. C. British has no such attraction. Why should the cadre in India only have it to the detriment of the purpose for which it is meant? If recruits can be had for R. A. M. C. they can be had for the Indian cadre too. Besides the admission of Indians to the cadre in sufficient numbers would make up the deficiency of any of the British recruits if at all they fall short. If the aim of transferring the Army Services to Indians is really to be achieved, the Medical Services—the least offensive of the Army cadres, if I may say so—is the best thing for a good beginning for the Indianisation of the Army Services and I hope Government would not lose this opportunity of showing proofs of their good intentions in accepting Indians in large numbers for this Army Service, as so many professionally trained Indians willing to take a military career would be readily available. The last war has been a sufficient proof of the willingness and the efficiency of the Indian medical profession and it will serve no purpose of the Government of His Majesty to refuse the officering of Indian Units by Indian medical officers. If capability of self-defence is the test for obtaining self-government, and if the intention of Government are really honest, as expressed by the Honourable the Home Member in his speech at the Delhi session on the self-government Resolution, it stands to reason that this material of Indian medical men should be utilised in serving the Army. The Commission has as well failed to do justice to this cause.

I have said at the beginning that I will refer to some representations which support my statement. The first is the Bombay Medical Union's report. I may say that the Bombay Medical Union consists of a large number of highly British qualified people. They say :

"We notice with grave concern that officers from the Military Service are still to be seconded for civil employment and what is worse, that only European officers are to be thus treated—Indians being ineligible for seconding."

The second point they urge is that :

"The Services operating in the transferred field should be recruited and controlled only by the Local Government."

The third point is this. They say :

"We are afraid that under these conditions, Indian recruitment for the R. A. M. C. (India) will fall practically to zero, and Indians instead of gaining anything by the change stand to lose what they have already got."

These are extracts from the Bombay Medical Union's report.

The second representation is from the memorandum presented to the Royal Commission by the Indian members of the Indian Medical Service in Madras. The points that they have dealt with are these :

“ The civil and the military side of the I. M. S. should be separated, the military side to remain under the control of the Government of India as an All-India Service and to be recruited by competitive examination to be held in India, the civil side on the other hand, should be entirely provincialised and be under the control of the Local Government.”

The second point they urge is :

“ British and Colonial recruitment to the Indian Medical Service should be stopped at once. India's ideal is to entirely Indianise the services.”

They further say :

“ As regards the question of reserves for the Army the experience of the great war has proved that (1) private practitioners could be depended upon in time of emergency, (2) the R. A. M. C. has no war reserve, (3) I. M. S. men who have been in civil employ for some time are no better than private practitioners in that respect, (4) military training could be imparted to private practitioners through the Territorial and Auxiliary Forces as well as to all civil medical servants.”

The last point is :

“ Europeans coming to India should be prepared to submit to treatment by Indian doctors. No Indian doctor has been appointed in England to look after Indian officers and other Indian residents in England of whom there are several thousands, and there are several Indian doctors settled in England who have extensive practice exclusively among English people.”

This is from the Madras Association of the I. M. S. men. The third is from Ahmedabad. It says :

“ Resolved that the recommendations of the Lee Commission on Medical Services in India are very unfavourable in the interests of the Indian medical profession, augmenting still more invidious race distinctions, perpetuating the existing disabilities and unnecessarily increasing the heavy burden of expenditure on poor Indian taxpayers,”

and so on.

I will only read one more and finish. This is from the United Provinces Liberal Association. The meeting was presided over by Dr. Sir Tej Bahadur Sapru. The resolution passed was this :

“ This Committee is also of opinion that the scheme of provincialisation of the Services, associated with the administration of transferred subjects, while seemingly satisfactory so far as it goes, cannot be approved inasmuch as the Indian demand is for the transfer of all subjects in the provinces to the control of the Legislature, as the Commission's recommendation will create a new motive of opposition to this demand on the part of the Services, now reserved, and as the recommendation itself is far too limited and qualified to result in an effective increase of the control of Ministers and Legislatures over those Services.”

The last is :

“ While the Committee approves of the establishment of a Civil Medical Service it is of opinion that the proposals with regard to the constitution of a Military Medical Service by the R. A. M. C. (India) and to the large proportion of civil medical posts to be filled from the latter, will amount to a continuance of the present Indian Medical Service in another and, from the Indian point of view, a more objectionable form. In the opinion of this Committee there should be two distinct medical services—an Indian Military and a provincial civil—the former entirely independent of the British War Office and recruited both in England and in India, and the latter wholly in this country.”

Sir, I will not tire out the House by reading out other things. In one word, I say the recommendations of the Commission are ill-advised, retrograde, and stand no test of reason and offer nothing to Indian

aspirations. They neglect to take the forecast of India's progress to self-government. The medical profession, therefore, cannot accept such recommendations and I have, therefore, to support Pandit Motilal Nehru's amendment in this respect.

11th September, 1924.

The Honourable Sir Narasimha Sarma : Sir, the Honourable the Leader of the House asked me yesterday to explain to the House the proposals of the Government with regard to the Indian Medical Service ; but the course of discussion yesterday and the amendment moved by Pandit Motilal Nehru induce me to deal with some of the recommendations of the Lee Commission with which the Department over which I preside is intimately and immediately concerned. The amendment asks that the recommendations of the Lee Commission with regard to the Educational, Agricultural, Civil Veterinary, Forest and other Departments with which I am now immediately concerned should be rejected, subject to one qualification with which I shall deal later, namely, that all further recruitment in England in respect of these Services should be stopped ; and inasmuch as I believe that the recommendations of the Commission in this respect, which have been provisionally accepted by the Government, lead on the whole to an improved situation, a situation which the people of India, I believe, would welcome, I cannot help regretting that the amendment should have assumed that wide scope without due limitations, in dealing with the Departments with which I am concerned. I can understand and appreciate the reasons which are moving many of the Members of this House and the outside public as well in condemning wholesale the recommendations of the Lee Commission. Among other contributory factors are two important considerations, namely, first, there is a feeling of fear and mistrust lest the Lee Commission recommendations should somehow and in some manner interfere with the progress of the Reforms which the country has at heart ; and the second consideration is the expenditure which would be involved by the acceptance of these recommendations. I shall not deal with the latter part of the subject in respect of which the Honourable the Leader of the House and the Honourable Sir Basil Blackett are more competent to deal than myself, but I may say this that many of the British officers serving in the Departments under me did complain before this Royal Commission was appointed that they were suffering pecuniarily and that some relief was needed. I must say that in fairness to the Services under my control. It is hardly necessary to go back to the genesis of this Commission. There were retirements on proportionate pension. There was agitation in India ; there was pressure brought to bear on the Government of India and the Secretary of State by the Services and, what is more, there was the difficulty felt by the Government both here and in England with regard to the recruitment of British youths for the Services in this country. (*Pandit Sham Lal Nehru :* " May I know the number of premature retirements ? ") I have not got the figures here but there was an appreciable number in the Police, a few in the Civil and many to my regret of good officers in the Agricultural Department, hardly any in the Forest ; and that is all that I can say at present. (*Pandit Sham Lal Nehru :* " Shall I say 20 at the utmost ? ") Well, I will not care to reply to that question. I would put it to the House that the people might have been confronted with a decision, taken after due consultation

no doubt, with regard to expenditure without the corresponding advantages which are the immediate result of the appointment of this Commission. I am not here to try and justify the appointment of the Commission, there is no need for it. I am not here to say that the needs of the hour might not have been met in a different way, but, taking the Commission as an accomplished fact, I would ask the House to remember that the position might have been easily worse from their standpoint, and that we should dispassionately view the recommendations of the Lee Commission both from the standpoint of the advantages which have been gained as well as from the standpoint of the expenditure involved, which to some minds may appear to be large. It is fair play that the Government ask from the House in dealing with the recommendations of the Royal Commission. It has been said : Is there any principle which has been laid down by the Lee Commission ? Can we discover it even with the aid of a microscope and, if any can be discovered, is it not subject to so many limitations that it is hardly worth while calling it a principle ? We know as practical men that there are no principles to which exceptions and limitation cannot and should not be made. But, broadly speaking, I think what the Lee Commission has laid down is a position new to the country, namely, that, in respect of subjects which have been provincialised and transferred, the Services, subject to vested rights, should be under the entire supreme control of the Local Governments. Up to the date of the recommendations of the Lee Commission, the accepted principle has been that although a subject may be provincialised and transferred, still the Superior Services controlling or at any rate administering those subjects should be in the main All-India Services. A breach has been made in this principle and a new principle has been enunciated that, in respect of transferred fields hereafter, at any rate in regard to recruitment, the control, subject to vested interests, should be entirely in the hands of the Provincial Governments. I would suggest, Sir, that this is a principle which, whatever doubts may be felt from the large point of the consolidation of India, has its merits and deserves recognition, and it is by acceptance of that principle that the House can secure the complete provincialisation of the future recruitment of the Services with which I am intimately connected. I recollect the controversies which raged in 1914 when the Islington Commission was sitting and reported. I recollect as a Member of the Government of India the attitude which had to be assumed in dealing with further Indianisation, and I must frankly state to the House that it is a large step which the Government have taken, a step of far-reaching importance in accepting the complete provincialising of these Services and in leaving to the Local Governments future recruitment under these heads.

And, mark you, gentlemen, hereafter it cannot be said that the nation-building Departments would not be entirely in the hands of the Ministers who control them. (*Mr. Devaki Prasad Sinha* : "Not entirely".) They would be for a time subject to the vested interests of the officers already in the Services which would have to be protected. In all transitional stages—and the stage may be a long period—(*A Voice* : "Very long indeed.") It is so. But that is a period we will have to face, and I do not think anybody in this House or outside this House would ever enunciate the principle that the vested interests of anybody should, at any rate without adequate compensation, be sacrificed. We have to take things as they are, and I go further and say that India would require the help, the guidance, and the friendly co-operation of the men who would be left in these

Services for the purpose of building up her national agriculture and industries. And I hope—now that the friction with the Local Governments that the people who ought to guide the Local Governments are not allowed to choose the servants whom they have to employ—now that that friction, that sort of irritation, is removed, I earnestly hope that the Ministers backed by the people would realise the need for seeking the aid of the best men outside India for some time to come, and that this would not mean the extinction of recruitment of Englishmen or of outsiders whenever their services may be required for the benefit of the country. In passing, I cannot help paying—it is my duty to pay—a tribute to the Services which will shortly be placed on a provincial basis, which have contributed to the growth, advancement and development of this country. The achievements of the officers of the All-India Services in the Educational, Agricultural and other fields are too well known to require any recapitulation at my hands, and I am sure that this House will readily recognise, especially at a time when the Government are prepared to leave entirely in the hands of the people the future recruitment for these Services, the merits of these officers and the help which they have rendered in the past and which we hope they will willingly render in the future. Let me say one word with regard to the feeling of mistrust which is largely influencing the people of this country, namely, that the recommendations of the Lee Commission, if accepted, might in some way retard the granting of reforms on a large scale or in the manner in which the country expects in the immediate future. The Honourable the Leader of the House and Sir Charles Innes have on behalf of Government stated to the House freely and frankly that there is nothing in this Report which should in any manner be taken as embarrassing the Government in any manner whatsoever in dealing with the question of future reforms. That was a question with which, as has already been stated, the Commission had not to deal. They were asked merely to organise the Services on the assumption that the *status quo* will, in the main, be preserved. You may quarrel with particular details of the proposals which they have made, but they have envisaged the position when the reserved fields of activity would be converted into transferred fields. You may quarrel with the details of the proposals as to what should be done if such a change is brought about. But I would submit that there is nothing in the Lee Commission's Report itself which can expressly or impliedly be taken as precluding the progress of the reforms in the manner in which the people and the Government may find it desirable to proceed. I suggest to the House that it would pay better to take the Government at their word when they have stated that there is nothing in the Lee Commission's recommendations which could even impliedly stand in the way, rather than import doubts and difficulties, which after all, I would suggest, from the larger point of view, would never pay.

I shall now deal, Sir, with the question of the Medical Services and the proposals of the Government. I should explain at the outset that the Government have tabled these proposals for the consideration of this House

in order to show it that they treat the recommendations of the Lee Commission as a whole, as integral parts hanging together, and that the Government have no idea of going back upon any of the recommendations which may be considered to be in favour of the proposals which the people have been pressing upon the attention of the House and of the Government.

They have asked the Local Governments to state their views on this difficult and perplexing problem. They have not yet received the replies, except from one or two of the Local Governments. The question is further complicated by the fact that the suggestions of the Lee Commission touch upon the future organisation of the Army, and that is a subject which was entirely outside the purview of the Commission. That has no strict bearing upon the constitution of the Civil Services. That is a matter which has to be dealt with on its merits in respect of considerations which ought to prevail in Army matters. The War Office has to be consulted and Honourable Members will readily recognise that it would be impossible for the Government to arrive at any reasoned conclusions with reference to the future composition of the Army Medical Services. So I will ask you to dismiss from your minds any suggestions with regard to the future composition of the R. A. M. C., as to whether the Government are in the least inclined to abolish the I. M. S., and to have a unified single Service. I would ask you to confine your attention to the proposals as formulated by the Government, which ask you to accept in principle one point subject to three limitations. The recommendation which I am asking you to accept, and which I believe will find ready acceptance in this House, is that Provincial Civil Medical Services should be constituted in the Provinces. I will deal with the limitations later on. On that subject, public opinion has been pressing very hard upon the Government in the past that the civil needs of the population deserve greater attention in the constitution of their Civil Medical Services than the needs of the Army, and that there should be accepted in principle the necessity and the desirability of constituting an All-India Civil Medical Service. This is a recommendation which has been made by the Islington Commission subject to certain limitations. What the Islington Commission contemplated and what was pressed upon the attention of the Government by a Resolution moved by the Right Honourable Srinivasa Sastri was the constitution of an All-India Civil Medical Service with Provincial Medical Services attached. The departure made by the Lee Commission is in the direction of constituting it entirely on a provincial basis. Much can be said, for the sake of the future consolidation of the interests of India, in favour of continuing on an All-India basis the future composition and constitution of the Civil Services of the country even when those Services are composed entirely, or almost entirely, of Indians. The centrifugal forces operating powerfully in this country, the divisions, and the provincial jealousies, need to be checked as far as possible and the All-India Services have been a very useful factor in the past in that direction. And I for one have had some

1 P.M.

difficulty in reconciling myself to this recommendation in favour of Provincial Medical Services, but I accepted it because I felt from my practical experience during the four years and odd of my service as Member of Government, as well as on other considerations, that there was no alternative but to accept the Lee Commission's recommendations notwithstanding the consideration that I have placed before this House. Provincial jealousies, the desire of each Local Government to recruit from amongst men of their own province, communal differences, and various other factors have rendered the position of the Government of India an extremely unenviable one in the past, and when the Lee Commission, on which there were four members from different Provinces, had come to the conclusion that in future the Services especially in these branches, should be on a provincial basis, the Government of India felt

that they would be wise in accepting the recommendation which they hoped would be backed up by the people. I hope therefore that whatever may be your difficulties, whatever may be your inconveniences, whatever may be your misgivings, regarding the future composition of the Medical Services, the main recommendation will be accepted in principle by this House.

Then I have subjected the proposal to three limitations, one of which is extremely important and I may say, may be far-reaching in character, and the other two are not of such great importance. The first limitation is that the Civil Medical Services should absorb the military reserve. My Honourable friend, Colonel Gidney, has quoted to you certain figures in order to show that the Army has too large a number of medical officers and that the needs of the country could be met by a smaller number, and I could not follow him in one place when he said that India can furnish all the medical men she requires.

Lieut.-Colonel H. A. J. Gidney : I rise to a personal explanation. I said that I did not agree that India could furnish all its medical needs. It certainly cannot. I was emphatic on that point.

The Honourable Sir Narasimha Sarma : I am glad to see the position clearly now. I may say that those figures are somewhat inaccurate. The Army Department, to do it justice, has been trying its level best to keep down the number of medical officers, especially after the Incheape Committee has made its recommendations, and in the R. A. M. C., in the Budget for 1924-25 I note this, there were not 331 but only 205, and in the I. M. S., not 495 but only 388 medical officers provided and so there has been....

Lieut.-Colonel H. A. J. Gidney : May I rise to a personal explanation. I am very sorry to interrupt the Honourable Member. He has made a mistake in thinking that my figures are incorrect. I have these figures signed and furnished by the Office of the D. M. S., India, and they are dated about ten days ago. So I believe they are accurate and I accept them as accurate.

Mr. Chaman Lall (West Punjab : Non-Muhammadan) : May I inform the Honourable Member that those figures are for 1923-24. The Honourable Member for Education has referred to the figures for 1924-25.

The Honourable Sir Narasimha Sarma : I am taking the figures that I am quoting from the Budget for 1924-25,—265 and 388.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : My Honourable friend, Colonel Gidney's figures are for 1923.

The Honourable Sir Narasimha Sarma : And I have no reason to suppose that there have been additions since to these figures. There might have been small additions, but not at any rate the figures which would reach the dimensions quoted by my Honourable friend. In any event, the question as to what the number of medical officers for the Army should be is entirely outside the purview of our discussion this morning. The question is, is it necessary to make provision for the absorption of the Indian Army Reserve, or is it not necessary to do so? I am asking you to accept my recommendation I will have to give you figures necessarily and I have been informed that approximately the war reserve that would have to be absorbed would be about 195 officers, of whom

there would be provision for not less than 65, or, including the leave reserve, 83, in the departments directly under the Government of India. Therefore, it is not a very large number that has to be absorbed by the Provincial Governments with a reformed constitution under the proposals that I am tabling before you. Then, again, Honourable Members will find that from more than one standpoint the absorption of this medical reserve in the civil with due safeguards would be a source of immense strength, immense benefit, to the Civil Medical Services themselves. We have practically accepted, I think,—because I have not seen in the past or in the present any dissent from the view that the civil medical officer should, as far as possible, be ready to undertake the duties of going into the field in case of necessity, and I would ask you, would it not be helpful to have a small leaven of officers who have gone through the drill, through the course of discipline in the Army—a small number—who in the past have justified their existence, who in the past have brought about incalculable benefits to this land—is it not wise to keep them? Even from a narrow standpoint there must be a number to stiffen, to help, to stimulate the activities of the civil officers who would have in case of the painful necessity of the occurrence of a war to go to the field. Apart from that,—I was just now alluding to the centrifugal tendencies—is it not desirable that there should be a small leaven of officers trained in the best European institutions who have gone through the mill as it were, through a course of discipline, serving in the Army for about 4 or 5 years—is it not useful to have such a small stiffening element even from the larger standpoint of the interests of the consolidation and solidarity of India?

Dr. K. G. Lohokare : (Bombay Central Division : Non-Muhammadan Rural) : Small means 50 per cent.

The Honourable Sir Narasimha Sarma : It cannot be 50 per cent. The number of officers who would in future have to be absorbed may not exceed—I will not make a positive statement because the question has not been thoroughly examined—122 or 123 at the utmost out of 570, the full strength of the civil medical service at present.

Dr. K. G. Lohokare : Percentage to civil?

The Honourable Sir Narasimha Sarma : The whole strength at present is 570 approximately. There are at present 420 I. M. S. officers provided for in civil employ, and I may state to the Assembly that with the consent of the Local Governments, including the Ministers, there has been provisional reservation made under the orders of the Secretary of State under Devolution Rule 12 of 333 appointments for the I. M. S. 333 posts have with the consent, omitting one or two Provinces, of the Ministers and the Local Governments, been reserved provisionally, but the decision has not been made final. Taking it that this would continue it will have to continue for an appreciable period. Therefore, you will see immediately what an immense improvement from the point of view that is being urged on the Government it will be if the recommendations of the Lee Commission are accepted in their entirety in this respect. I was on the point that the military reserve under this condition that I have stated is not a very large one, and there is another greater reason why the House should readily consent to absorb this military reserve because in the past, although there has been no contract, the position of the Medical Services, their constitution and the staffing of the hospitals has been such as to secure suitable and adequate

provision for British officers and their families. I know there is a good deal of feeling in the country that somehow racial considerations are being imported into this question.

Mr. N. M. Joshi (Nominated : Labour Interests) : Is it not true ?

The Honourable Sir Narasimha Sarma : I may assure the House that there is absolutely no foundation for that belief if the facts are really understood. I will not say that there is no ground for misunderstanding. During the last one century the Civil Medical Service has been composed entirely or almost entirely of the I. M. S. officers, at any rate the higher branches. There were only 73 out of 566 and odd, 73, mind you, non-I. M. S. officers in 1914 when the Islington Commission made their report. Now the figure is nearly four times as large, and it will be still larger if the recommendations of the Lee Commission are accepted, and the proportion which is being reserved for the war reserve would be infinitesimally small if the civil needs of the population have to be met and are met on an adequate scale. I do not see any limitation to the numbers which will have to be recruited in future if the civil needs of the population have to be adequately and properly attended to, and therefore with an increasing civil cadre what would this small war reserve be especially when that war reserve would be useful also for the purpose of administering to the medical wants of Europeans and their families ? If we entered into a contract for a breach of which there would be compensation, if entered into a covenant for the breach of which an officer could leave our service, then Honourable Members may say that racial discrimination has been introduced ; but we merely wish to provide the facilities which at present are open to the civil officers, especially having regard to their susceptibilities and having regard to the interests of future recruitment. Here I wish you for a moment to put yourself into the position of people having sentiments on these subjects.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Do the Government repudiate the obligation suggested by the Lee Commission ?

The Honourable Sir Narasimha Sarma : The Government intend to provide adequate facilities.

Diwan Bahadur T. Rangachariar : Without undertaking any obligation ?

The Honourable Sir Narasimha Sarma : Civil obligation if you wish to put it like that. I would not let anything escape from my lips which might lead the Services to believe that the Government do not intend to fulfil the promise that they give them. They do mean to provide adequate facilities. There exists at present adequate facilities. It is because the power is being passed on to a transferred field completely that the Government have had to subject this Resolution to that reservation. Otherwise there would not have been any necessity for it.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Is that the reason for fixing the numbers of the British Medical Service ?

The Honourable Sir Narasimha Sarma : The Local Governments have been asked as to how they intend to meet the needs of the Europeans in the civil employ and their families. We have had no replies from them. Therefore there has been no opportunity to consider as a

Government any proposition as to the method by which the future needs of these officers will have to be met. But I may give you this information that at the present moment in the reformed Provinces, excluding Burma, there are about 93 British officers working as Civil Surgeons, and I have told you that about 130 at least, excluding leave reserve and so on, would be available from the war reserve. Therefore, the Government have found themselves in this convenient position. They can absorb with great utility and great economy a small war reserve. From that war reserve, they can meet, they hope to meet, at any rate the needs of the European Services and their families, and you are asked therefore to accept two propositions which in themselves, analysed in the light of the figures I have given, do not mean much and do not imply at all any racial discrimination.

Dr. H. S. Gour : Who will control the war reserve officers, the War Office ?

The Honourable Sir Narasimha Sarma : There is a limitation, there is a formula under which the Army war reserve is fixed. If you reduce the total cadre of the Army medical officers it follows automatically that the cadre would be reduced in respect of the war reserve also. We look not merely to these army officers but to the civil officers also in the case of a great war. But I think the army reserve numbers that I have mentioned would adequately fulfil the needs of the situation, in the case of a small war and I hope wars, small or large, though they may be eliminated in the distant future cannot be eliminated altogether just at present.

Dr. H. S. Gour : Why do not you call them supermedicæes ?

The Honourable Sir Narasimha Sarma : I come now to the third part, namely, further scrutiny or examination of the needs of the recruitment of the Army. Here you may smell danger. I have already told you the existing position under the present constitution and the rules as they stand, namely, that 333 posts have been reserved and including leave reserve 420 I.M.S. officers are being employed in the civil branch of the administration. This examination will, I may assure you, relieve that situation to a considerable extent. As to how far and what may be the exact proposals which would have to be taken up is a point on which I will not dogmatise or give any assurance. But, supposing you had an Indian Government, pure and simple, and you found it difficult to find recruits for the Indian Army Medical Corps except by throwing open certain avenues of civil employ, would you as a Government dissociate yourself from your duty towards the Army and say we do not care whether the Army is administered by proper army doctors or not ; this is a civil matter and therefore we shall entirely dissociate the two spheres and make our recruitment proposals on that basis ? I am sure that a Swaraj Government composed entirely of Indians, if the situation necessitated, would take the needs of the Army into consideration. And a situation somewhat similar has arisen, Sir, because I may tell you that the figures give a most gloomy aspect with regard to the recruitment of British medical officers. Since 1915 there has been no open competitive examination. During the last two years we have not been able to secure a single British medical recruit for the I.M.S. except on special terms. The number recruited previously was small and inadequate, and the R. A. M. C. wanted 30 men for their commissioned ranks this year and they could not get more than four candidates. There are causes which are operating against recruitment—war weariness, adequate employment in

England and so on—and we do not expect this state of things to continue very long. But still the position is as I have stated, and because the Army requires a certain number of British recruits, the Government of India, you may easily realize, will have to do something, or at any rate will have to do nothing which will further dissuade recruits from entering the Army Medical Service. That is a problem which we have to investigate, which we hope to investigate, with the aid of Local Governments and with the aid of the War Office and the Army in India. That is the reason why I have been obliged to move the acceptance in principle of the constitution of the Civil Medical Service subject to further examination as to what may have to be done in the interest of recruitment of British medical officers for the Army. That is my justification. No one wants a large number of British medical recruits imported unnecessarily into the civil services of the country against the wishes of the Local Governments. I have already told you that the number required for the Army Reserve is very small; that the number required to meet the needs of the European officers in civil employ and their families would be very small. I have already told you that there is a large number of places at present reserved for I.M.S. officers in civil employ. The position will be brighter, better and in no way worse from the Indian point of view under the proposals I have discussed, and I hope therefore that the Council will see the utility and wisdom of not rejecting the recommendations of the Lee Commission, which rejection will lead them nowhere, which might easily lead to a continuance of the *status quo*—and I may assure you that there are many who would not in the slightest degree object to the maintenance of the *status quo* who would indeed be only too glad because they believe that these changes are leading us on the wrong track. Therefore, I think the House will be well advised not to reject the recommendations of the Lee Commission in so far as they have been accepted by the Government and formulated in this Resolution.

Well, Sir, I am extremely thankful to you for your indulgence. It is a very difficult subject, and any remarks which Honourable Members may make with regard to the essential principles governing this problem would be very carefully borne in mind by the Government. And I may assure the House that the Government are only too anxious to meet the wishes of the House and the people in this matter subject to the limitations that I have mentioned.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : Sir, at the very outset of this debate the Honourable the Home Member referred to the atmosphere of prejudice in which the Royal Commission came into existence. He invited us to consider the recommendations without any appeal to passion, in a spirit of judicial impartiality. It is in that spirit that I have approached the consideration of this problem. I have approached the question from an independent point of view, and the amendment which I sent in embodies the results of my independent examination. Sir, I belong to a different school of thought from that which is represented by the Honourable and learned Pandit, my friend, Pandit Motilal Nehru. I am not a politician nor a practising lawyer, and I am not going to set up the prison bar or dilatory pleas a spirit of fairness and with a desire to solve the questions in the best manner possible and according to their best lights. Now it has been asked what were their qualifications, what was their character? I very much doubt whether a stormy political life is a guarantee of sound

or pleas of jurisdiction. I am going to deal with the question from the point of view of a plain, practical man having to deal with a Report which has been presented by a Commission appointed by the Government and which is going to be considered by the Government, whatever may be your objections by way of direct attack. Nor am I going to question the composition of the Commission, the qualifications of the Members of the Commission or the character of the Indian Members of the Commission. I have no doubt that the qualifications of the Members of the Commission were quite as good as those of any Members of this Assembly, and I am free to acknowledge that they approached the problem in judgment or even of character. Sir, I will indicate my conclusions in a brief way. I am not for the wholesale rejection of the recommendations of the Commission, and I do not desire the disappearance of the British element from the Services. I am prepared to give a sympathetic ear to their grievances and afford such means as the circumstances of the case and of the country may require and permit. Now, Sir, there is an intimate connection undoubtedly between the question of the organization of the Services and the question of the constitutional reforms. Undoubtedly there is a connection. But I for one do not wish to raise that question of constitutional reforms at this stage or by way of a condition precedent to the consideration of the various questions which arise upon this Report. We all know that this question of constitutional reforms must come up in the near future and that will be the time when we shall have to consider those questions. I desire as far as possible to deal with the questions raised by this Report free of any other question with which they may be intermingled but not oblivious of the probability of constitutional changes in the near future. Sir, the only point which I think it is necessary for this House to insist upon is that any conclusion that we may arrive at with regard to the questions arising out of this Report should in no way prejudice the consideration or the decision of those constitutional changes; and I am quite sure that the Members of the Treasury Bench opposite will agree with me in that expression of view.

Sir, the main questions which arise out of this Report are those relating to the recruitment of the Services and the financial relief to be afforded to the Services. I do not propose to deal at length with the various topics arising out of this Report; and I shall endeavour to condense my remarks as much as possible upon these two problems. Now, Sir, with regard to the question of recruitment, my conclusion happens to be the same as that of the school represented by my friend, the learned Pandit. But I have arrived at my conclusion by a different route altogether, from another point of view. I will first of all take the reserved Services which are most important for this purpose. The number of reserved Services is four: the Civil Service, the Police, the Forest and the Engineers. Now, before I go into this question of recruitment, I should like to keep clear of the two non-security Services, the Forest Service and the Engineer Service which may encumber the consideration of the Report. I see no reason whatever why these two Services should not be transferred like the other Services which have been transferred. It may be said that these two subjects have not been transferred and that the two Services should not therefore be transferred. But there is no insuperable obstacle to the transfer of these two subjects as well. In the province of Burma we know that Forests has

been reserved, and I am not aware that there is any province in India which has more valuable forests than Burma; and if the provincialization or transfer of the Forest Service in Burma can be contemplated with equanimity, if it can be contemplated with equanimity in Burma, I do not see any reason why it should not be treated in the same way in the other provinces like Madras, Bengal and the United Provinces.

It seems to me puerile to suggest that, if the Forest Services were transferred, the importance of the preservation of forests would be overlooked or not properly appreciated, and that the vital interests of the country at large would suffer. Take again, Sir, the question of the Indian Engineers. In several provinces the Roads and Works Branch has been transferred. There is no reason why the Irrigation Branch also should not be transferred. What is the plea in answer to this? That if for instance owing to mismanagement the canals were not properly looked after and water not laid on in time, there might be terrible disaster and calamity in the country. But can any sane person believe that the agency which will look after this Service, if it is transferred, is not competent enough to look after the maintenance or construction of canals or that it will not have sufficient regard to the importance of this work? I consider, Sir, that there is no valid reason for the retention of these two Services as reserved fields.

Now, Sir, passing from these two Services, I come to the Indian Civil Service and the Police—the two security Services. My own opinion is that they should remain All-India Services. I am not in favour of the provincialisation of these two Services; but it does not follow from that that the recruitment which is now going on should be continued. Let me come at once to this question. What are the considerations which should govern the determination of this problem of recruitment? In the first place, let me revert to the test which was referred to by the Honourable the Home Member. What is the essential minimum of the British element necessary for the purposes of the Indian Civil Service in the interests of law and order? Now I refuse to believe that anyone could suggest that a minimum of more than 50 per cent. is necessary. Whether 50 per cent. is necessary in my opinion is another matter; but what I do submit is that you cannot very well say that a minimum of more than 50 per cent. is necessary. Taking my own province of Madras I believe the Madras Government have expressed their view that they would be quite content to go on with 50 out of 148 posts given assigned to the British element. No doubt Madras is in this respect an advanced province. There may be other provinces which cannot be equally advanced and perhaps the percentage may have to be raised a bit in those provinces but making all these allowances, leaving out for the present the backward province of Burma, a remark which perhaps will be resented by my friend, Maung Kun, leaving aside Burma and perhaps the North-West Frontier Province, can you say that a minimum of more than 50 per cent. is necessary for the purpose of the Indian Civil Service?

Now, Sir, the purposes which we have necessarily to bear in mind in considering this question of recruitment are the maintenance of the present standard of efficiency and integrity—an object to which every sane Indian must attach the highest importance and to which I give full recognition. The second object which we must have in view in considering the question of the organisation of the Service is how far does it tend to foster and

develop the administrative faculties of the people. The second is a consideration which to some extent must act as a counterpoise to the first consideration. Now, having regard to these two considerations, can we really say that more than 50 per cent. of the British element is necessary? And granting that a minimum of 50 per cent. is necessary, when are we likely to attain it? Now the Lee Commission contemplates that it may take 15 years with a recruitment at the rate of 60 per cent. Indian and 40 per cent. English; and the Honourable the Home Member was somewhat astonished at the progress we had made recently in the Indianisation of the Services. He asked us to look back on past history. Now according to the figures supplied by him yesterday, out of 1,000 Civil Service officers, 38 were Indians. In 1913, 66 were Indians. In 1924, out of 1,220 officers 164 were Indians, that is, about one-eighth. Well that is not to my mind so astonishing a rate of progress. Now this minimum of 50 per cent. to which I have referred as a hypothetical minimum, as probably the hypothetical limit or the minimum which may be desirable—that I say is desirable for other reasons as well. The Lee Commission themselves admit that in the interests of the spirit of camaraderie, in the interests of the development of an equal sense of responsibility, it is desirable to attain this equality in the cadre of the Civil Service as early as possible—a proposition on which I have not yet heard a note of dissent from the treasury Bench. Now if that is desirable, the question is how soon should it be attained? Is there any reason why it should not be attained as early as possible? It is perhaps merely a breach of an open secret if I say that in the famous O'Donnell Circular it was stated, as I have heard it said, that, even if English recruitment were stopped this moment, it would take 10 or 12 years before complete equality was attained. And I say if it will take 10 years to attain complete equality even on the basis of a complete stoppage of recruitment, then it is not necessary for us to go further and provide for any further recruitment—at any rate during the next 10 years. Now in matters of this kind I claim somewhat of the British characteristic of being a practical politician in refusing to look long ahead. It is quite sufficient for us if we look to the progress of events during the next 10 years. Constitutional changes are impending and must come. Let us not waste our time in considering whether they will come as soon as the learned Pandit on this side wants, or whether they will come in 1929 as provided by the Statute. Certainly within a period of 10 or 15 years it may be, constitutional changes are inevitable; and if they are inevitable, I ask, is it fair to English recruits themselves to ask them to enter the Service with this cloud of uncertainty hanging over them and come out on trial to this country; or to ask us that, in order to dispel the apprehensions caused by this cloud of uncertainty, they should be offered special attractions in the way of premature retirement on proportionate pensions and various other means? I am not now dealing with the claims of the present members of the Service to relief. Now I say under these circumstances it is neither fair to your English recruits nor fair to the interests of this country to go on recruiting further before we are yet in sight of the attainment of equality between the two cadres. These are my reasons for not advocating the continuance of recruitment.

I just want to refer—I have my eye on the clock, Sir—I only want to refer to one or two arguments against the stoppage of recruitment which have been used by its opponents. One is that once you stop recruitment

it cannot be revived. I am not disposed to say there is no force in that argument. I am always ready to admit whatever force there is in the arguments of my opponents and to make allowance for them. There is some difficulty undoubtedly; but the British element will be at greater strength than 50 per cent. for the next 10 years, and those who enter the Service and become senior officers will continue for a period of 25 years or at any rate 22 years, let us say—at any rate to enable them to earn a decent pension. Now there seems to me to be no likelihood of any catastrophe happening if the recruitment is stopped, say for the next 10 years. If, however, the country were going to be plunged into those conditions of chaos and disorder which the imagination of some has conjured up as the only too probable result in the future if there is a stoppage of recruitment, I think the country will probably in that state of things invite the outsider to come and help it, as it has oftener than once done in the past. I do not believe that there is such an insuperable difficulty and I do not believe that the necessity will arise for considering the question.

Then, Sir, another argument is brought forward. Even supposing that it is possible to revive recruitment, there will be a gap in the British official hierarchy—at one stage there will be a number of seniors without a number of junior officers and by the time these junior officers grow up to be seniors there will be no senior officers left and they will all be Indians. If the British and Indian officers are there, imbued with the traditions of the Service and if they can co-operate as they are likely to do, there is no great harm done by the Indian officer having his turn of seniority after the long spell of seniority which has been enjoyed by the English officers. It does not seem to me to portend any great administrative catastrophe. Sir, these are my reasons for advocating a stoppage of recruitment for the present, because I consider it essential that there should be equality between the two elements attained as soon as possible in the cadre of the Service and the continuance of recruitment will merely put off the time to a long period.

Then, Sir, I shall pass on to another Service, namely, the Medical Service. My Honourable friend, the Member in charge of Education, dealt at considerable length with this question. There are these points to be considered in connection with the Medical Service and the proposals of the Lee Commission. The first proposition which they put forward is that the needs of the Army—the needs of the British and Indian units—should be served by the same organisation. That is a proposition to which with all my effort I cannot reconcile myself. The less room allowed for the interference of the War Office and for the interference of the British authorities, the better for this country. The R. A. M. C. has never been appreciative of the claims of Indians to enter its ranks. I make no complaint; it says it is for a British unit; I have no legal right, though perhaps some people might be disposed to base a claim on the ground of our payment for those Services. I do not wish to enter any such claim; but the R. A. M. C. which was run by the British authorities has never hitherto opened its portals to Indians; and is there the least chance that if the R. A. M. C. in India, as proposed by the Lee Commission, subserves the needs of both the British Army and the Indian Army the claims of Indians will be generously recognised? I refuse to believe it, and the ground for my refusal is my experience of the past management of these matters.

by the War Office. That is one of the considerations; and another consideration I may mention in this connection is that the presence of the R.A.M.C. in India is in my opinion a factor which should steadily diminish. I look forward to the day when the presence of British units will be less and less necessary and I look forward to the day when the presence of the R. A. M. C. will consequentially be less and less necessary. I do not wish our medical organisation to be tied up in any way with the organisation of the British medical units and our progress in Indianisation or in the matter of any reforms to be hampered by this unfortunate, and as I should call it deplorable, alliance between the two branches. To the first recommendation therefore I am entirely opposed, heart and soul. The next recommendation is that the Civil Medical Service should be provincialised—that there should be a separate Civil Medical Service. The need for a separate Civil Medical Service has been frequently urged and is recognised in General Burtchaell's note; and however much I may disagree with it in other respects, I agree with it in this respect; it has been adopted by the Commission and I shall not therefore waste my breath on that point. The only question is this: if there is to be a Civil Medical Service, the question whether it is to be a provincial or All-India Service does not to my mind seem to be of very great importance. The great apprehension in the minds of many of my friends with regard to these All-India Services is this exercise of the power of control by the Secretary of State. If they can be assured that the power of control will be vested in the hands of the Government of India, I believe that the objections of many of my friends will disappear. However that is a question that I do not propose to discuss now. I accept the recommendation of the Commission in this respect.

The next question is, in this provincial medical organisation what are the conditions with which the Lee Commission has coupled its recommendation. The conditions are reproduced in the Resolution of my Honourable friend, Sir Alexander Muddiman, that they must serve two or three purposes; there must be provision for a military reserve and there must be provision for facilities for the attendance on British officers by medical men of their own race. Those are the two conditions. My Honourable friend, Sir Narasimha Sarma, dwelt upon this first aspect of the question in great detail. Now, I recognise at once the need for a military reserve—I grant it; but then the question is, should the military reserve be formed only out of the I. M. S.? Is it not possible to build it up otherwise? The I. M. S., if you look at its past, has not been found to be so very well-fitted for administrative duties in the field as the R. A. M. C. That was the deliberate opinion of the Esher Committee in their Report. The thing is they get out of touch with military duties; they are not kept in the same state of efficiency as the R. A. M. C., and they get so fond of civil work that most of them are unwilling to go back. Now my proposal as contained in my amendment is that all the members of the Civil Medical Service should be compelled to undergo a period of training—not in the Territorial Force, not in the Auxiliary Force, but in the regular army.

3 P.M.

Send them there for a couple of years—two or three years—whatever the period may be—I am not particular; I will leave that to my expert friends to arrange. Let them be compelled to serve a certain period of training in the Army. I have no doubt that they will prove quite capable of undertaking the duties which are now discharged by military reserve officers in the I. M. S.

Then, Sir, the next question is this—with regard to medical attendance on officers. I for one recognise the naturalness of this desire on the part of British officers. Whether they have a legal claim or not is another matter. If they have not the legal claim, they have the fact of actual attendance by British officers. But, since the war, conditions have greatly changed and there have been many situations where the Civil Surgeon's post has been held by an Indian. We have known cases where Indian officers have discharged their duties to the satisfaction of their patients. As I have said, I do not forget the naturalness of the desire but the question which I would put is this. Is it reasonable—put yourselves in a detached position—is it reasonable that the whole basis of organisation of any particular Service in the country should be adapted to the needs not of the population at large but of a few scattered individuals here and there, perhaps half a dozen individuals in a district and so on. Is it right, is it reasonable, that the whole organisation should be adapted to their requirements, however natural, however much they may be entitled to our sympathy—to the requirements of a few scattered officers living here and there? It seems to me that, without in any way flouting this desire or making light of it, there is a great deal to be said against basing the whole framework of your Service upon the recognition of this. On the other hand, I have made a suggestion in the amendment which is on the table to the effect that a certain proportion of the civil posts might be reserved for officers of the I. M. S. and that recruitment might take place accordingly for the whole number of I. M. S. posts required for the Army and Civil. I know that many of my friends here have accused me of having a soft corner in my heart for my English friends. I do not mind that imputation, speaking for myself, and I do not mind some provision being made. But the question, of course, is to what extent it is necessary. The more reasonable, the smaller the limits, the better.

Then there is.....

Mr. President : I must ask the Honourable Member to bring his remarks to a close.

Sir P. S. Sivaswamy Aiyer : The next matter that I would suggest is this: that with regard to the various education and professorial and scientific chairs and so on, they should be thrown open to the best talent wherever it may be found. Instead of appointments being regarded as the preserves of any particular Service, these appointments in particular ought to be regarded as available to the best talent in the world wherever you can get it. And while I am ready to acknowledge the distinguished attainments of I. M. S. officers in the past, while I am ready to acknowledge the services they have rendered to the country not only in the obvious and private capacity of administering to the country, but also in developing a proper standard of teaching, I do not think that one result of the present organisation has been to train the Indian for research and for higher medical work. These are the reasons which underlie my propositions in regard to the Indian Medical Service. I have only one word, Sir, with regard to the financial question.

Mr. President : I have allowed the Honourable Member a great deal of latitude already. He promised me that he would keep his eye on the clock.

Sir P. S. Sivaswamy Aiyer : I have only to say this with regard to the question of financial relief which I do consider important. I do not

think it fair to put off the Services by reference to some other person or body. While I say that the findings of this Committee will not absolve the House from the responsibility of coming to its own conclusions and while they are not absolutely binding upon this House, I do think that greater moral weight attaches to the results of the examination of the question by that body. As regards rise in prices, which of us can honestly say that prices have not risen so that we have not suffered by it or that we had not found it difficult to make both ends meet. I believe that many of the members of the Services are in great straits and that they are hard put to it to make both ends meet. Many of them are in embarrassed circumstances, as pointed out by the Lee Commission Report. It has been said that they have a higher standard of living. Granted for the sake of argument that it is exceedingly difficult for a man who has adopted a certain standard to reduce that standard of living, everybody has been accustomed to a particular standard so much so that that standard has been adopted by the Indian as well and it has become equally necessary to him. Under these circumstances, I think that the question of financial relief ought not to be put off and the only relief I would suggest is that contained in certain paragraphs of my amendment. If you will allow me, Sir, I will read them.

Mr. E. Burdon (Army Secretary) : Sir, I had not intended to attempt to gain a hearing in this debate. When the debate commenced, it seemed to me—and I am still of the same opinion—that the discussion of individual questions of military medical organisation would only serve to divert attention from the central issues which the House is engaged in considering. But certain statements have been made and certain opinions have been advanced by previous speakers which makes it necessary that I should say a very few words, for the purpose of removing any possibility of misunderstanding and of clearing out of the way what I consider to be certain extraneous matters.

In the first place, Sir, I have heard severe condemnation expressed of the proposal to constitute a Royal Army Medical Corps (India) under a scheme which was referred to by the Royal Commission. Now, Sir, the question of the structure of the military medical organisation was plainly outside the terms of reference to the Royal Commission, and the Government of India have kept the same question apart from their consideration of the Royal Commission's Report. They have (I wish to emphasize this) arrived at no conclusion whatsoever in regard to the matter. They have not yet considered it. While, therefore, I do not propose on the present occasion to contest or examine any proposition that has been advanced, I can assure the House that the observations which have been made in regard to this particular matter will receive very careful attention from Government.

Now, Sir, the same considerations apply very much to the details of the structure of the military medical reserve that may be required. No detailed conclusion has been arrived at as to how this should be constituted in the event of the Civil Medical Services being provincialised.

I had intended to make certain observations regarding the necessity of having a military reserve and the necessity in particular of having a trained reserve. But after what my Honourable friend Sir Sivaswamy Aiyer has said on this subject I do not think I need trouble the House except with a very few remarks indeed. Sir Sivaswamy Aiyer has acknowledged that there must be a military reserve of medical officers. The

necessity of course flows from the fact that India has a land frontier of five thousand miles and from the conditions which obtain along that land frontier. These are the circumstances which have led to the Army in India being maintained practically at all times on an active service basis, a fact with which every Honourable Member in this House is perfectly well acquainted. The necessity of a military medical reserve is purely consequential. The necessity of a trained reserve need not be further elucidated after what Sir Sivaswamy Aiyer has said. It is plain that it would not be an efficient arrangement to transfer a civil medical practitioner, who has had no practical experience of military organisation or of military medical organisation to be in charge, let us say, of a field ambulance in frontier warfare.

There is another feature of our existing military medical organisation which has been severely condemned. I am referring here to the Station Hospital system and to the observations made on the subject by Colonel Gidney. Well, Sir, I should like very much to know what substitute Colonel Gidney would propose for the Station Hospital system. I should like to hear his views but on some other occasion and not on this. What system could be substituted which would provide an equally efficient medical organisation, not merely for peace time but also for war? What the Station Hospital system is, what purpose it serves, what its merits are, are very clearly stated in a book called "The Army in India and its Evolution" which my Department produced only a few months ago and which I sincerely hope every Honourable Member of this House, who proposes to discuss military matters, either has read or will read. Now, Sir, I do not propose to follow my Honourable friend, Colonel Gidney, into the precise figures which he quoted, but in answer to the general tenor of the charges which he brought against the Army Medical administration I think it is desirable that I should inform the House that in pursuance of the recommendations of the Incheape Committee reduction has been constantly going on, ever since that Committee reported, not only in the number of medical officers employed in the Military administration but also in the number of hospital beds. Reduction is going on below standards which the medical authorities, if left to themselves, would consider to be desirable.

Pandit Shamlal Nehru (Meerut Division : Non-Muhammadian Rural) : Would the Honourable Member give us an idea of the reduction of numbers ?

Mr. E. Burdon : In 1924 a reduction of 4,117 hospital beds, British and Indian, was effected, and further reductions are contemplated. Again, in 1914, there were 334 R. A. M. C. officers employed in this country. At the present moment there are 333, a number which will be reduced to 302 by the end of the next month. A further reduction to 282 is intended to be carried out during the next financial year. The number of Indian Medical Service officers in military employment has increased. It has increased from 281 in 1914 to 477 at the present day. But in this case also, reductions are contemplated in pursuance of the Incheape Committee's recommendations. The cadre has been fixed at 402, and reduction will be effected by wastage in the course of this and the next financial years. Any further details regarding the expenditure on the military medical services might, I suggest, be more conveniently placed before this House on a more appropriate occasion, say when we are discussing the Budget.

There is only one other matter to which I desire to refer, and that is, the observation which my Honourable friend, Colonel Gidney, permitted

himself to make regarding Lieutenant-General Sir Charles Burtchaell, formerly Director of Medical Services in India. If I understood my Honourable friend correctly, the purport of his observations was to disparage both General Burtchaell's efficiency and his *bona fides* as a servant of the Government of India. Sir, it appeared to me to be contrary to all tradition, and to be regrettable, that a charge of this kind should be brought against a distinguished officer of the Royal Army Medical Corps by a senior officer of the sister service. Sir Charles Burtchaell is no longer in India to defend himself against attacks from which, I venture to say, his exceptionally distinguished services in the great war should have availed to protect him. If General Burtchaell were here, he would need no assistance from me. He could defend himself very adequately. But when I come to analyse it, the *gravamen* of the charge brought against General Burtchaell amounts to this, that in his departmental capacity, throughout his service in India, he endeavoured to secure for Indian troops the same degree of medical care and attention which for many years had been given to British troops.

Diwan Bahadur T. Rangachariar : Sir, I full recognise the importance of the occasion and also the great self-restraint one has to exercise in dealing with the questions before this Assembly. I am also a plain, practical man and it will be untrue to say that I am not a politician, it will be true to say I am not a tactician or diplomat. I am not accustomed to sugar-coat my pills and I am always accustomed to speak out what is in my mind. I have no less a soft corner for my English friends than my friend to my right, but I have a softer corner for my country and my countrymen. Sir, one main point which has to be kept in mind is the nature of the recommendations. They are interdependent. The main recommendations of the Commission are claimed by the authors of the Report to be interdependent, and no one part can be given effect to without the other part being also given effect to. That was the difficult position in which I found myself when like my friend, Sir Sivaswamy Aiyer, I tried to separate what can be passed and what cannot be passed by this Assembly. I was faced with that difficulty and I therefore came to the logical conclusion which my Honourable friend, Sir Sivaswamy Aiyer, would not accept, that you have either to accept the whole or reject the whole. There is no question of acceptance in part on their own showing, and it is therefore idle on our part to attempt to separate the milk from the water.

Sir P. S. Sivaswamy Aiyer : The Government of India have not accepted the whole.

Diwan Bahadur T. Rangachariar : Sir, it is said that the Government of India have not accepted the whole. Here again I am in this unfortunate position. What useful purpose we are serving by this debate, I have been trying to cogitate and consider. The Government of India have taken upon themselves to follow the example of that noble Lord who presided over this Commission to claim for its verdict, to elevate its verdict to that of a jurymen. And in the House of Lords he took the undue position—I should say a position which he should not have taken, namely, "We have delivered our verdict," and he asked the Judge, the Judge being His Majesty's Government at home, to pass a decree in accordance with that verdict. And I am surprised to see that my Honourable friend, the Leader of the House, has also accorded that position to this Commission. If that is the position accorded to this

Commission, what is the object of this debate? Are you merely deeming the pledge of giving us an opportunity to discuss like children, "Play with your doll as you like. We are not going to attach any importance to what you say. The verdict has been given. It only remains for us to pass a decree in accordance with that verdict." Then why go through this farce of discussion in this Assembly? Sir, I do not believe that the British Cabinet, as it is now constituted, is at all of that opinion. I am willing to believe that when they gave us this opportunity to discuss the merits of this Report they intend and genuinely intend to be informed and instructed and influenced in their dealing with this Report by the discussion which may take place here. Sir, unfortunately, I am sorry to say, the Government of India here are not in that fortunate position. They have committed themselves to accepting the recommendations of the Commission elevating its report to the position of a verdict of a jury, which they had no business to do. (A Voice : "Who said so?")

What is the financial effect of these recommendations? It is adding a recurring burden of $1\frac{1}{2}$ crores to the already overburdened finances of this country. Now, how can any Government justify its position and say, "We will not examine the materials on which the Royal Commission came to its conclusions. We are willing to be insulted by the Royal Commission. They will take the materials home and deal and deliver them to the Secretary of State. The Government of India are not anxious to look at the materials on which the Royal Commission came to its conclusions. We are prepared to elevate it to the verdict of a jury." If that is the responsibility, if that is the sense of responsibility of the Government of India in adding an additional burden of $1\frac{1}{2}$ crores (A Voice : "2 crores.")—I beg your pardon, $1\frac{1}{2}$ crores—to the financial burdens of this country, I cannot but express my pity for such a Government. Sir, we on our part owe a responsibility to our constituencies. We on our part have to recognise what is the financial position of this country, and therefore it is our duty to exercise the utmost care in examining, in scrutinising every item, every pie of expenditure which may be added to the financial burdens of this country. Otherwise, we will be failing in our duty. Therefore, I feel it is idle to ask this Assembly to pass a verdict on the proposals without placing the materials before us. We cannot blindly accept the verdict of these gentlemen, however eminent they may be, for God has blessed us with some intelligence, and we ought to exercise that intelligence to the best of our lights for the benefit of our country. We deny that intelligence, fairness, justice and capacity are only confined to these gentlemen who formed the Royal Commission. It is in that view that I approach the consideration of this question. Looking at it from that point of view, let me consider what was the financial position. In 1923-24, Sir, from the Central revenues alone I find that the total staff increased by 10 per cent., from what it was in 1913-14, whereas the pay and allowances increased by 101 per cent. Take the Civil Services alone. The total staff increased by 21.3 per cent. in the same period whereas the cost in pay and emoluments increased by 103.7 per cent. Take the officers alone. The increase in staff was 16.3 per cent, whereas the cost of pay and emoluments increased by 56.2 per cent.

The Honourable Mr. A. C. Chatterjee (Industries Member) : Are you quoting the figures for the Superior Civil Services only?

Diwan Bahadur T. Rangachariar : I am quoting from the Report of the Indian Retrenchment Committee.

The Honourable Sir Basil Blackett (Finance Member) : This has nothing to do with the Superior Civil Services.

Diwan Bahadur T. Rangachariar : They embrace the Superior Civil Services, and I think the officers are almost all of them in the Superior Civil Services. In 1913-14 the Civil Services from the Central revenues cost us 6.75 crores. In 1923-24 it mounted up to 13.75 crores. The total of pay and allowances from the Central revenues in 1913-14 was 20.2 crores, whereas in 1923-24 the pay and allowances alone mounted up to 40.74 crores, the total increase being 20.54 crores. I am now willing to present to my Honourable friend, the Finance Member, the cost of the Superior Services, about which he is anxious. The Superior Services in 1917 cost the country 572 lakhs, 98 thousand and odd. Now, after the revisions made between the years 1919 to 1920 they mounted up to 5.67 crores, an increase of 1.15 crores.

The Honourable Sir Basil Blackett : What is the percentage of increase ?

Diwan Bahadur T. Rangachariar : Now, the revision, the re-revision, the re-re-revision which were made in connection with all these All-India Services in 1919-1920, when the prices reached the high water mark, were made by the Government of India in consultation with the Secretary of State who took all these factors into consideration—the difficulties of recruitment, the high rise in prices since the Public Service Commission had reported, and all the various other factors were taken into account in 1920 mostly. The Government of India and the Secretary of State considered these points and revised the pay of all these Superior Services and their allowances, and the net result of that was an addition of 1.15 crores to the expenditure. Now, this Commission is made to sit in judgment over that decision, which was come to in 1919-1920, and asks us to increase the burden by another 1.25 crores. Sir, is that not an occasion when we should examine the position carefully ? It is said that the prices have gone up since 1914. But they had gone up in 1920 when the Government of India—no doubt my Honourable friend the Leader was not then a Member of the Government—they had gone up in 1920 to the highest point. I will give you the figures. In 1920 the index of the cost of living showed 183 compared with 100 in 1914—the highest point 193 was reached in that year. Since then it is steadily falling. (*The Honourable Sir Charles Innes :* “What about exchange ?”) In the next year, 1921, the average was 173. In the next year, 1922, it was 164. In the next year, 1923, it was 154 and to-day, Sir, as I see from the Labour Gazette, it is 150 or 152.

The Honourable Sir Basil Blackett : Are they wholesale prices ?

The Honourable Sir Charles Innes (Commerce Member) : What about exchange ?

Diwan Bahadur T. Rangachariar : I will come to that.

The Honourable Mr. A. C. Chatterjee : That does not represent the cost of living of Europeans.

Diwan Bahadur T. Rangachariar : If my Honourable friend, Mr. Chatterjee, will possess his soul in patience I will deal with that point.

This Labour Gazette has taken the trouble to compile such figures from 1922 or 1923, I forget which. What do I find? Taking the cost of European articles, that is, articles of food in October 1920 when these revisions were made, it stood at 207 and to-day it stands at 180. Fuel and lighting stood in October 1920 at 159. To-day they stand at 120. Take articles of clothing. They stood at 249 and my Honourable friend, Mr. Chatterjee, may be enlightened to hear that they stand at 180 to-day. Now as regards household articles consumed by Europeans, they stood in October 1920 at 168. To-day they stand at 125. Taking other articles, they stood at 220 and to-day they stand at 213. Now, what is it that has gone up? Rents have gone up in Bombay. Conveyance has gone up in Bombay. Servants have gone up in Bombay. Passages have gone up. School fees have gone up. These are the five items alone which have gone up. Now, Sir, can any one pretend that the Services working in the districts have to pay so much house rent as people in Bombay city have to pay? Can any one pretend that the Services working in the districts have to employ servants at that costly figure? Can any one pretend that people in the districts have to pay the same conveyance charges? I know how district officers are served by the public. I know it from my own experience. Let me not be dragged into a discussion on that. They are served amply. Even witnesses appearing in their courts are made to pull *punkhas*. Now, Sir, it is unnecessary for me to dilate further. Prices have gone up. What did His Majesty the King Emperor do? He cut down his expenditure on his household. His civil budget was not enhanced by one penny on account of the rise in prices. It continues the same as it was in 1913-14. Of course all of us have to be visited by these visitations, rise in prices, floods, famine, illiteracy, sickness, disease, infant condition of industries and exchange fluctuations. One matter about exchange. Now I have been searching in vain for the authors for the statement at page 24 of the Report that there was a belief that exchange would remain high. I have got here a whole file of Government orders dealing with this revision of pay in 1919 and 1920. I do not find any reference, any single allusion, to the fact that the revision was based on that assumption, though it would be a very foolish assumption to make, knowing how exchange varies in this country, that 2s. to the rupee was ever promised either remotely or otherwise. Perhaps some Honourable Member will enlighten me. The only authority for this is this. One Secretary of State is responsible for this revision in 1920. That Secretary of State disappeared in March 1922 and another Under Secretary of State in July 1922 states that these revisions were based on the expectation that 2s. will continue, though it was not a definite promise. If that is the only authority, I am not inclined to attach as much respect to it as I should to a contemporaneous statement either published to the officers or even mentioned in the orders making the revision. Now, may I ask what happened when the exchange rose to 2s. 9d. and 2s. 10d?

The Honourable Sir Basil Blackett : How long ago was it?

Diwan Bahadur T. Bangachariar : A year. (*A Voice :* "Two months.") Exactly, that is my point. Did any sane man expect that these high rates would continue? If he did, I will challenge him to stand up and say so.

The Honourable Sir Basil Blackett : What about Bombay merchants who refused to pay?

Diwan Bahadur T. Rangachariar : They were in a tight corner. Now, what I was emphasising was this, that while I am willing to give all respect to this Commission they have no condescended to follow up their conclusions with reasons. They think they are merely registering decrees. I am willing to admit, there is a *prima facie* case for benefiting the Services, but where have the Commission considered this steady fall in prices since 1920 ? On the other hand, they lead the reader to fall under the impression that the revision of 1919-20 did not take note of the rise in prices since 1914. They talk of the period 1914—23, but where do they draw attention to the fact that the Government of India and the Secretary of State took note of the rise in prices between 1914 and 1920 ? On the other hand, they talk of the full period of 1914—1923 and again have they given us the benefit of their examination as to what the Crown Colony in our neighbourhood has done in order to meet the awkward situation ? We have got a small Colony in our neighbourhood, Ceylon. What have they done in this connection ? What did the Malay States do ? Have they proposed to increase the salaries in the same way ? They are also affected in the same way as we are. They have never thought of these matters. There is no evidence of their having done so and I therefore think there is a case for further examination. While I am willing to give weight to the recommendations of the Commission. I am not willing to accept them as conclusive. I want a further examination. Now the Honourable Sir Charles Innes told us yesterday that he is not prepared to accept a Committee of this House. What else is he prepared to accept ? He would not examine the case himself. He would not allow others to examine it. He asked us to blindly accept the verdict of the Commission. Is that what the Secretary of State wants ? Does he want a blind acceptance or a blind rejection ?

The Honourable Sir Alexander Muddiman (Home Member) : We are asking you to discuss the recommendations.

Diwan Bahadur T. Rangachariar : I am trying to show that, so far as the financial aspect is concerned, it requires a thorough re-examination. Great principles are involved in the recommendations, to which this country is asked to commit itself. Now, if you are going to provide for every child born, for its education, for its passage, what about the army of Indian servants who are also blessed with a large number of children ? Is the State to undertake an obligation to repatriate them to their homes ? They have also got their homes. Men from Madras come here to serve in the Secretariat, two thousand miles away. I see many of my Madras friends here sitting there in that gallery. I am glad to see them. They too find it difficult to educate their children. They have to send them to learn Tamil, which is their mother tongue. Is the State to undertake that obligation ? What again about the susceptibilities of my Muhammadan friends who would like to be treated by Muhammadan doctors ? What about my Sikh friends, Sardar Gulab Singh and others ? Do they want Sikh doctors ? And about myself, Sir, I should prefer to be treated by a Brahman doctor, and preferably by a Tengalai Iyengar. And if the State accepts all these responsibilities, where is the limit ? Again Sir, there is a great danger in allowing facilities in the matter of this education abroad. My own experience, having been recently in England, is that the English people are what they are on account of their educational institutions, and we are what we are on account of

the educational institutions which these gentlemen have provided for us. You talk of law and order. In England how is law and order maintained? Not by force, police force or military force, but by education, education of the right type. Where have you given us a single public school like the ones you have in England? Now I will compel you to keep your children here, educate them here, make public schools; for that I am prepared to pay so that I may have the advantage of educating my children in them. (*The Honourable Sir Basil Blackett*: "Public schools in England are not created by the Government in England".) I know that. But the people are made by the Government. (*A Voice*: "No, the people made the Government".) That is what encourages neglect of educational institutions in this country. Again, on the question of passages—I am willing to concede that there should be some facilities given, but still the undertaking of an obligation in the shape of passage money is a precedent which you are now creating for the first time. Hitherto passage money was included in the pay. You took it into consideration in giving them their pay and other overseas allowances. Now you want to create a separate liability on account of passages not only for the enhanced rate, but wholesale. That is again a dangerous precedent. As I have already said, the Indian servants would claim trainage fares when they go on leave. How can you with any face deny it to them when you are giving it to other classes? Railway fares have gone up and the Indian servants are also grumbling because of the expense involved when they wish to go home on leave, when they have to travel a long distance with their families. Many of them on that account cannot avail themselves of the leave which is due to them. So these are questions which require careful consideration. They have not been carefully considered by the Commission, and I therefore suggest that some machinery should be devised to go into all these things more thoroughly than the Royal Commission have done. I do not want to impute anything wilful to the Royal Commission. But I do say, I refuse to surrender my responsibility here and to accept that verdict without further opportunity of examination.

I have a great deal more to say, but I have taken up your time. All I say is that I see no other way than that contained in the recommendation we have made that the whole thing should be re-examined and that such arrangements as may be required now for future recruitment should be merely temporary and provisional pending the further reform of the constitution, and in the meanwhile let the question of the real grievances of my English friends be sympathetically examined, which we are ready to do.

Colonel J. D. Crawford (Bengal: European): Sir, on this the first occasion as a newly elected Member of this House I desire to make perfectly clear to the Members of this House what my position in this House is. The fact that I was recently an officer under the Government of India and that to-day I stand prepared to support the Government Resolution, with qualifications, may lead some Members of this House to believe that I may be taken therefore practically as a Government Member. I desire to disabuse the minds of the House on that point, because since I retired I have been constantly a critic of the Government policy. As regards my position towards Indian aspirations, as an officer of the Indian Army who has served in the closest contact with Indians in the trenches and in the face of death, I would never

under any circumstances be in opposition to the legitimate aspirations of Indians and their country. But I do differ largely in my opinion as to the methods by which progress must be made.

Before turning to the amendment moved by the Honourable the Pandit, I would like to thank him for his support to the amendment which stands in my name. If I remember aright, he did say that he objected to the words "in principle" and to the words "approximately". That is support from an unexpected quarter; but possibly my point of view is somewhat different from that of the Pandit. Having served in the Government of India, I have seen on several occasions very just and very reasonable demands accepted by the Government of India only to be turned down by the Finance Department whose only principle appears to be to refuse all demands. But I will not deny that, so far as Government servants are concerned, their suspicions are aroused by the indefinite nature of such proposals; and I was glad to see the Honourable Sir Charles Innes definitely state that the Government did not intend to attach any particular point to the words "in principle". My object in wanting to move the amendment was to get a definite reply from the Government that they intend not only to accept the general recommendation of the Lee Commission's Report "in principle" but to move the Secretary of State to put them into practice.

I would like now to turn definitely to the amendment of the Honourable Mover. I find myself faced with the remark—"Having regard to the following among other facts"; but on going through those "facts" I say to myself "Surely these are controversial questions and not facts." And that is my feeling in regard to many of my Indian friends—that they are not prepared to give that true consideration that they should to the recognition of realities. I take the first "fact" in the Honourable Pandit's amendment and this I find to be to my mind a half fact:

"That the Royal Commission on the Superior Civil Services in India was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly."

Gentlemen, my point of view and the point of view of very many non-official Europeans is that the terms of reference of the Lee Commission went much further than there was any justification for them to go. We understood that the maintenance of a European element in the Services was one of the safeguards under which the Government of India Act was introduced. It was one of the safeguards which we believe is of paramount importance to every minority community in this country. I believe that, in stating that, I will have the support of my Muhammadan friends. The Honourable the Home Member stated that there was a feeling of apprehension amongst Muhammadans. I can say from my own personal knowledge that it is true. They realise that they are backward in education, that their own political organisation is backward and that if the safeguard of the British element in the Service was to be withdrawn to-day, they will have precious little chance of getting their rightful share in the government of the country. I therefore differ from the Honourable Mover of the amendment on the point mentioned in part (a) of it; I do believe very great concessions have been made to this House, the Legislature framed under the Government of India Act, in permitting it to discuss the recommendations of the Lee Report and

the safeguard afforded by the European element and I feel that if this House is possessed of the political acumen on which it prides itself, it would to-day accept without reservation all the recommendations of that Commission and that this would form the most telling in fact an irresistible argument for the grant of further powers to this House. (Laughter.) It would mean that we are capable as a civilised body of looking after the welfare and interests of those who may be our servants, that we are prepared to listen to their legitimate grievances and to adjust them and that there is no fear from us that they will not receive in the future every reasonable consideration. I fear, however, that if the House accepts the recommendation of the Honourable Pandit, they will be showing themselves not a civilised body. (Laughter).....

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : On a point of order, is it open to an Honourable Member to characterise this body in the way in which the Honourable Member who has just spoken has done, namely, that if it accepted the amendment it would not be a civilised body ?

Mr. President : It depends entirely on the definition of civilisation.

Colonel J. D. Crawford : I should like to tell the Honourable Member who asked that question that I am using the remarks of an Indian Member of this House. This House would I believe like to declare that it represents the voice of the peoples of India. On that point I have my doubts ; they undoubtedly do represent to a certain extent the intelligentsia ; but if you want to find—and I believe it is difficult to find—the real voice of the people of India, I think it is to be found in those moments when communal feeling runs high and this fictitious campaign of race hatred is forgotten for the moment and you hear both the Hindu and Muhammadan cry for British troops and British magistrates ; it is to be heard from the depressed classes when they made their representation before the Lee Commission and when they cheered the Prince of Wales ; it should be heard from His Majesty's Commissioned Indian officers of the Indian Army when they refused to serve in an Indianised regiment. (Mr. Devaki Prasad Sinha : " And from yourself.") I believe that the real peoples of India do desire to retain a European element in the services. (Cries of " No.") I am glad to hear you say that you do not desire it ; but I would point out that some of us differ from that point of view and we are entitled to hold our opinion.

I will now come to part (i) of the Honourable Pandit's amendment in which he objects to the fact of the evidence being given in camera before the Commission. I do believe the Honourable Pandit would not himself desire to place the whole of his domestic affairs in front of this House or of the public and I do feel that those officers who were placing their grievances and who were placing their budget in front of the members of the Commission had every right to ask that that Commission should consider in privacy the nature of their evidence. But with the very greatest reluctance I myself will inform the House of the exact position which was mine when I was in the service. I entered the service twenty years ago on, if I remember aright, the magnificent pay of Rs. 212, some odd annas and pies. On the first day I went to draw my pay I discovered a minus quantity. The whole amount had been swallowed up by certain mess bills and regimental subscriptions. From that day onwards I was

never able to manage to make my budget meet ; and had it not been for a small windfall about the fifth year of my service, I would have had to seek work elsewhere. Again but for the period of enforced retirement in the trenches in the great war I doubt if I should have lasted ; and when I returned I found the very high rise in prices did not admit of my pay inspite of an increase in the least covering my expenses. Finally I decided, when I got my pension, that there was no purpose to be served in further remaining in Government service. That is my own position ; and I believe that is the position of every other Government servant. During the whole of my service I was enabled, mainly owing to the generosity of any bank, to proceed Home on one occasion in twenty years. I believe that if you prevented an Indian sepoy from visiting his country once every three years you will have a mutiny. I do not believe that the Members of this Assembly are prepared to deny to the European Services the same privileges which they already grant to Indians.

Sir, I would like the Government to understand that the support of the non-official European, as far as I represent him, is given to their Resolution on the understanding that they are prepared to put those general recommendations in force in their entirety. We view with very grave misgivings as to the future of India the amount of Indianisation that has been granted by the Lee Commission. But the question has been referred to a Commission in the nature of an umpire and we are not prepared to go back on the decisions of that umpire and like true sportsmen we are prepared to stand by them.

I would add one word as to why I believe India wants Europeans. It is because they are honest, they are efficient and they are impartial. I would remind you that Indians will follow their British officers into the jaws of death without any hesitation—and why ? Because they know those officers are honest and impartial, and I believe that nearly every Indian in his heart believes that the British officers who have served India so well either in the Army or in the Government service are honest and impartial. But if you are to remove once and for all your European Members can you replace them to-day ? I would invite the House to listen to some experiences I went through in Russia where I was detailed for duty as Assistant Food Controller to the Russian Food Controller who was a Communist. Owing to their attack on the Bourgeoisie (the middle class) they had removed every man who knew any thing about his job and they put Tom, Dick and Harry into their places to do the job, and, when I became Food Controller, I found that, as a result of the fact that they had not any man who knew how to bring the food, where to find it, how to make it fit for consumption or how to distribute it, the price of bread had risen to Rs. 30 per pound. That is the position which I believe would be reproduced in India to-day were we to withdraw all the men who are qualified at a moment's notice and before we had men prepared to replace them. I value the remark of my Honourable friend, Mr. Rangachariar, because I believe he aims right at the heart of the whole thing. It does not matter what has happened in the past. We have to face the position as it is. He said that we have provided no public schools in India. It is for the Indians to provide those public schools. Train these men to fill these posts and not one European will ever refuse to give a post to the Indian who is qualified first and foremost.

I would like to make a few remarks on the question of the Medical recommendations. I understand the Honourable Sir Narasimha Sarma stated that he was prepared to receive considerations from this House. I do believe that it is reasonable to grant to any man medical attention for his women folk at the hands of his own countrymen. I would not desire to force on Indian ladies medical attendance to which they objected. I do not think that Indians desire to force on Europeans or to deprive Europeans of the right to European medical attendance for their women. I personally have no prejudice and I know there are a large number of Europeans who are prepared to receive medical attendance at the hands of qualified Indians. It is a matter very largely of high qualifications. I have been attended myself by an Indian doctor and I believe there are many Europeans prepared to accept that position. But for those who have a prejudice, I do say that it is a reasonable prejudice and that this House should concede it. I would ask the Government to remember that in making provision for their European officers they should not forget to make provision for specialists, particularly maternity specialists. I would ask them also to remember the Presidency General Hospitals for Europeans and the possibility of allowing them to remain under European control.

I would like to add one word in support of what Colonel Gidney has said regarding the position of the Anglo-Indian, and I would like to read to the House the remarks of the Bengal Chamber of Commerce on this point :

“ With reference to the question of recruitment, it would appear to be necessary to define the position of the Anglo-Indian, or Eurasian, community. Nothing seems to be said in the Report as to this, except that in paragraph 42 (b) it is mentioned, in respect of the Imperial Customs Services, that ‘ recruitment should remain on the present basis, i.e., not less than half the vacancies are to be filled by the appointment in India of statutory natives of India.’ Nothing is said as to how statutory natives of India are to obtain admission to the other Services or even as to whether they are eligible at all. But obviously they ought to be included within the term ‘ Indian,’ and the Committee presume that this is the intention of the Commissioners.”

I wish to point out that the position of the Anglo-Indian in India to-day is anomalous. For the purposes of the Auxiliary Force he is to be called a European British subject, but in the ordinary course of law he is denied the rights of a European or an Indian. I do believe that his position should be accurately defined.

Finally, I would ask the House to give this Report its very earnest consideration, because I do believe it is in the best interests of India that we should secure for ourselves a future European element. I would impress upon Government the fact that I do not believe and the non-official European does not believe that the recommendations of the Lee Commission's Report will produce further European recruitment. This House to-day is in fact and in fancy faced with the possibility that European recruitment is dead. I do feel that Government ought to assure those in the country who are of the opinion that the European element is required that, if a position does arise that these recommendations do not bring forth the necessary European recruits to fill the quota, that they will take further steps.

And, lastly, I thank the House for the kind way in which it has listened to men on this my first occasion of addressing it and I do trust that its political acumen will rise to the highest pitch and that this House

will definitely state that we are prepared to treat our Services well so that it may justify the demand of this House for a further grant of power later.

Dr. H. S. Gour : Sir, at the risk of being characterised as uncivilised I wish to join issue with my esteemed friend, Colonel Crawford, who has so ably and eloquently pleaded the cause of the non-official Europeans in India. The Honourable the Home Member in his opening remarks wanted this House to accept the Report of the Lee Commission mainly in principle, but Colonel Crawford is prepared even to better the Home Member and wants us to accept the Report in all its details.

Well, Sir, I am not here concerned either with the Honourable the Home Member or with the accredited representative of the European community in Calcutta. I am here concerned with the Report of the Royal Commission which the Government asked us to accept in principle and for that purpose I would ask the Honourable Members of this House to hark back to the genesis of the appointment of this Commission contained in the communiqué of the Government of India. Those of us who were Members of the first Assembly will remember that one of us moved for a further advance in the constitutional progress of this country, and at the same time a cry was raised by the All-India Services for increased pay.

Lord Peel in his despatch of the 2nd of November, 1912, dealing with the question of further reforms made the following statement :

"The new constitutional machinery has to be tested in its working as a whole. Changes have been made as a result of the Act of 1919 in the composition, powers and responsibilities, not only of the Legislature but also of the Executive Government. No estimate of the success of the new system would pretend to completeness which was not based upon proof of the capacity of these bodies as now constituted to administer the duties entrusted to them, duties which from the point of view of the public welfare are at least as important as those of the Legislatures, and trustworthy proof of such capacity can only be established by experience of the extent to which the increased association of Indians in the sphere of executive responsibility has justified itself in practice."

Now, Sir, shorn of its verbiage, what does this despatch mean ? It means simply this. The Government of India Act has not been sufficiently long in existence nor has the country tried it for a sufficiently long period to justify a further step in advance.

(At this stage, Mr. President vacated the Chair, which was taken by the Deputy President, Diwan Bahadur T. Rangachariar.)

His Lordship further went on to point out that the question is not merely a question of the Transferred Departments of the Government in the provinces but also a question relating to the Executive Governments of the Provinces and the Central Government. Indians had been associated in the Reserved as well as the Transferred Departments and a long experience was necessary before the Secretary of State would advise Parliament to give further reforms. That was the position of the Secretary of State. Not a month passed before the self-same Secretary of State appointed a Royal Commission and in appointing which he said :

"In view of the experience now gained of the operation of the system of Government established by the Government of India Act in respect of the Superior Services, the Royal Commission is appointed."

In the one case the system had not been sufficiently long tested, but a month later it was said that experience of the system had been so far

gained as to justify the appointment of a Royal Commission. Now, Sir, it is in view of these facts that this Assembly objected to the appointment of a Royal Commission, and later on, when the question of its cost came up, the grant was rejected by this Assembly. The Royal Commission was nevertheless appointed, and its Report is before this House. Honourable Members will remember that at the last meeting of this House we asked the occupants of the Treasury Benches to give us copies of the evidence of witnesses examined by the Royal Commissioners, and the Honourable Member promised to consider our suggestion. When speaking on the subject, the Honourable the Home Member has referred to a passage contained in the Report of the Royal Commission in which they refer to the subject of evidence, and the Honourable the Home Member read it in justification for refusing to give this House access to the evidence recorded by them. Colonel Crawford in his speech has also referred to this aspect of the question. I ask the Honourable the Home Member and the Members of this House that if for the sake of argument some evidence was given in camera—and you know that some evidence was given in camera—what was there to prevent the Government giving us the facts, suppressing the names of the witnesses, so that we may be in possession of the facts and the secrecy which the witnesses had enjoined upon the Royal Commission would be preserved inviolate. That has not been done. The evidence which was given by the witnesses in public has also not been given to us. The Honourable the Home Member says, "Accept this Report upon three grounds. First, look to the personnel of the Royal Commission, secondly remember that their report is unanimous, and thirdly, do not forget that it is a compromise based upon mutual arrangement," to which the Honourable Sir Charles Innes in his speech added that it is a Royal Commission and that therefore this House must treat its report with great sanctity. Now, Sir, while making every allowance for the personnel and nature of the Report this House asks itself one simple question—and I have no doubt that the Honourable the Home Member with his long legal training will be able to answer the question. Supposing a long and voluminous record consisting of oral and documentary evidence and the judgment pronounced thereupon was placed before him and it was proposed to abstract from the record everything except the judgment and ask the Honourable the Home Member to justify that judgment. What would be his answer? I have not the slightest doubt, Sir, that the Honourable the Home Member will say, "Take away this judgment. I cannot pronounce any opinion upon it because you have taken away from me all the evidence and documents upon which this judgment was based" and this would be a perfectly reasonable answer of the Honourable the Home Member to the case I have supposed. And yet he wants this House to accept the Report in principle. In fact, he goes further and asks this House to accept the detailed proposals which he has categorised. Now, Sir, one grave apprehension in the minds of the Honourable Members of this House—and I have no doubt that it is an apprehension universally felt by the people of this country—is that if we accept this Report, it would prejudice and embarrass the reforms, because, it is an axiomatic fact that the question as to what should be the pay and prospects of the Civil Service must depend upon the future political constitution of this country. It is a fact which cannot be denied that the future of the Civil Service is linked and bound up with the future of the reforms, and the question of their pay cannot be determined without determining the nature of the work which they

will be called upon to do in the future. I therefore venture to submit, how can any settlement be made regarding the pay and prospects of the Civil Service unless we know what is to be the future constitution of this country ?

Then, Sir, turning to the Report itself, one feeling which Members of this House must have in their minds, and a feeling which I share, is how the Indian Civil Service compares with its sister services in England and the Colonies. What nature of relief has been given, say, to the Home Civil Service and what nature of relief has been given to the members of the Colonial Civil Service ? If I remember aright, I read so far as the Home Civil Service is concerned, that they have been given temporary bonus based upon index figures, and as the prices fall, that bonus is reduced. Now, Sir, I ask Honourable Members of the Government why a similar system should not have been adopted in this country. The Honourable Mr. Rangachariar has pointed out that the basic pay and the emoluments of the Civil Services which the Royal Commissioners recommend for adoption by the Government of India are not liable to revision even if there is an increasing tendency of falling prices. The recommendations of the Royal Commission are therefore inelastic and fixed, whereas the relief given by the Home Government to the English Civil Service is elastic and liable to variation according to the fall in prices.

Mr. Deputy President : May I remind the Honourable Member that his time for finishing is nearing.

Dr. H. S. Gour : I wish also to ask the Honourable the Finance Member how this country will be situated in relation to the demand that is likely to arise on the All-India Services being granted increased emoluments. We have a very large number of officers in the Army in India and we have a very large number of officers in what is known as the uncovenanted civil services. Now, Sir, if you give the higher and better paid servant of the Crown these special privileges and emoluments, would not the lesser paid officials of Government in the Army and in the uncovenanted civil services demand similar privileges ? These are questions, Sir, which the Royal Commissioners did not take into consideration. I should like to know what would be the cumulative liability of the people of this country if all these demands were conceded, which I fear will have to be conceded if once the Government of India and the Secretary of State accede to the recommendations of the Lee Commission.

Then, Sir, I should like to ask one more question of the occupants of the Treasury Benches and it is this. In the communiqué, and indeed in the Report of the Royal Commission, it is postulated that the All-India servants in the reserved fields will be subject to the control of the Secretary of State, those employed in the transferred fields being subject to the control of the Local Government. That is a system based upon the present system of Government by diarchy. Now, we, the Members of this House, and the public at large have condemned diarchy and are asking for a further advance in the direction of self-government. What position would the Government take with reference to the existing and future entrants in the Indian Civil and other All-India Services if hereafter the Government and Parliament were to accede to the demand of the people of this country and grant them a larger measure of self-government doing away altogether with the Reserved Departments in the provinces ?

Mr. Deputy President : Will the Honourable Member bring his remarks to a close ?

Dr. H. S. Gour : On these grounds, Sir, I feel that we are not in a position to decide forthwith on the various questions raised in the Lee Commission's Report, and long before the Home Member tabled his Resolution I had sent in notice of an amendment that the whole question be examined by a Committee of this House. I am glad, Sir, that the Honourable Pandit Motilal Nehru is substantially of the same opinion, and I am therefore glad to support his amendment.

12th September, 1924.

Mr. H. Calvert (Punjab : Nominated Official) : Sir, I feel that I am in a somewhat difficult position in addressing the House to-day for, Sir, I am a member of the Services and am personally affected by the decisions to be taken on the Report. But, Sir, I would ask the indulgence of this House to accept what I have to say, not as a special personal plea on my own part, but as representing the other members of the Services, as I have been authorised to speak as the President of the All-India Association of European Government Servants. I am not, Sir, going to ask for any generosity from this House—I appeal solely to their sense of justice and fairplay. I wish to put a few salient points of the case of the Services and shall trust to the judicial fair-mindedness of Honourable Members for a fair consideration of our case. I should like, Sir, to thank the Honourable the Leader of the House for repudiating the suggestion that the financial recommendations of the Lee Commission were in any sense whatever designed to make the Services loyal to the reforms. It may have been, Sir, an accident, or it may have been designed that that charge should have been sent round to some of us in the form of an advertisement, but it has been said outside the House, not inside. Further, Sir, there is one more matter I should like to mention. There have been strong attacks outside the House on the Indian members of the Commission. I should like, Sir, on behalf of the Services to say that if ever Indians are again placed in similar positions of difficulty and responsibility, they can rely upon the confidence of the Services in their integrity, impartiality and sense of justice. Now, Sir, I am going to assume that all Honourable Members have read that little blue-book of extracts from Service representations, and I do not intend to cover the ground dealt with in that little blue-book. This Report of the Lee Commission has been received throughout the Services of India with a feeling of keen disappointment. The Report itself admits a rise of prices, within a short period, of 60 per cent. and recommends relief to the extent of 6 to 10 per cent. We must remember, Sir, that the Services received no relief and no war bonus and no special consideration for the rise in prices. I should like just once again to refer to the statement made by Mr. Montagu in a letter to the *Times* in January 1923. He said :

“ It is undoubtedly true that the Services in India have not received increases of pay comparable to those received by the Services at Home ; that the increases of pay which they have received were in the main regarded, after authoritative inquiry as due before the worldwide rise in the cost of living which resulted from the war ; and that these increases were fixed when the rate of exchange was, and was expected to remain, more favourable than it is to-day or is likely to be for some time.”

In the House of Lords, Sir, Lord Lee said practically the same thing when he said :

“ No account has been taken of the change in prices brought about by the war. The result was that the position of the Indian Civil Services was immeasurably worse than that of Civil Servants at Home.”

The result is, Sir, that the position of the Services in India was really much worse than the Royal Commission recognised. The fact is that there has been no increase of pay worth noting in superior posts for the last 55 years. The pensions of the uncovenanted services, as stated in the little book which has been circulated, have remained without increase for nearly 70 years.

What actually happened, Sir, was this. We prepared, with the greatest care, budgets for submission to the Royal Commission. We discussed in various places, in various ways, how we should present our case. We had conferences at Simla, conferences down at Nagpur, and we finally saw that the schemes practically in the net result worked out to very much the same, and we were able to bring all the Services together to agree on one single case to be put before the Royal Commission. Now, what happened ? We prepared the case with great care and we took trouble to put forth nothing that would not stand the test of strict cross-examination on its details. We spent a lot of time and took a lot of care over it. Yet the Commission stated in paragraph 46 that they had not time to examine the case put forward, but, Sir, curiously enough, they had the time to examine the finances of the Government of India in such detail as to be able to say that they could not bear a heavier burden. The result is, Sir, that the Commission has left untouched a large number of grievances which were brought to its notice. It has left unsolved the question of the provident and family pension fund for the un-covenanted services, such as the revenue establishments of railways and specialist officers. The Women's Educational Service, a service composed of devoted, patient and honourable women, whose labour has surely earned credit from everybody, who are trying to remove the curse of illiteracy amongst women, they, Sir, were merely recognised as worthy of consideration and no recommendation was made to relieve that position. I trust that Honourable Members who take any interest in the education of Indian women will press the Indian Government to relieve the grievances of the members of the Women's Educational Service. Now, Sir, we value this Report of the Commission not for the recommendations which are annexed to it, but for its very clear admission of the fairness and justice of the case we put before them. It admits, and fully admits, that we have very serious grievances ; and we gather that although, in the interests of unanimity, the members could not put their signatures to it, they actually asked Sir Reginald Craddock to record a statement of what he thought was fair and just. Now, Sir, I am not going into a detailed consideration of the case of the Services. I wish to speak chiefly on two points, both of which are mentioned in the amendment of Pandit Motilal Nehru and they also find a place in the amendment of Diwan Bahadur Rangachariar. In both cases, the idea is that the Services are a burden on the tax-payer and that it will be necessary to increase taxation. There is also a complaint that the evidence was not placed before this House. Sir, in so far as the evidence relates to Service grievances, there is nothing confidential and nothing secret about it. The materials on which we based our case are

available to everybody. I may say, Sir, that I am going to refer particularly to the Civil List of 1875. The Civil List of 1875 has been in the Secretariat Library ever since 1875, and there is nothing secret, nothing confidential about it. Then, Sir, Datta's "Rise of Prices," which is a monumental work, is open to the public ; it is open to anybody to read who has patience, and it is, in part, the basis of our plea. Now, Sir, let us take this charge that we are a burden on the finances of the country. That charge, Sir, is so ridiculous that it is almost a waste of time to contest it. I will begin with the Finance Department of the Government of India. Can anyone pretend that the Finance Department of the Government of India is a burden to the tax-payer ? That department exists to save the tax-payers' money, and those who are in the Services can testify from experience, both varied and extensive, how much money they do save. Now, Sir, in the course of this debate, there has been some discussion as to what the position of the Service is now and what it was, as the Leader of the House referred to, in 1912, and in 1914, which was mentioned by Diwan Bahadur Rangachariar. I have taken the trouble to examine in detail the Civil Lists for 1875 and the Civil Lists for 1898. I took 1875 as that happened to be the oldest Civil List available in the Punjab Secretariat. I have worked out the pay drawn by officers in the regular line in the Provinces for 25 years. It may interest Honourable Members to know in comparing that pay drawn for 25 years' service in 1875 with the present pay, it was higher then than it is now. What really happened was this. In the early days when the cost of living in this country was fairly low, officers were able to save and the pension they got was sufficiently liberal. As the cost of living has risen the pension has become relatively smaller and officers have been unable to save. The result is that they retire at a later age and so we have a progressively increasing block in promotion. The result is, if you take an officer of 25 years' service in the regular line, he is progressively getting less and less. If to our scale of 1875 pay we add exchange compensation allowance, about 6 per cent., and if to the pay now drawn you add overseas pay, then the result is an increase by 8 per cent. as compared to what it was 50 years ago. I am not, Sir, going into the figures which Diwan Bahadur Rangachariar gave the House yesterday about the rise in the cost of living since 1914. I do not think it is necessary to discuss the rise in the cost of living since 1875. I think all Members of this House will agree that the cost of living now as compared with 1875 has risen by more than a hundred per cent. (*Pandit Shamlal Nehru*: "What about the increment in 1920 ?") The increment, compared to the rise in cost of living in the last 50 years is inadequate. I may also say that Indians entering the Civil Service at the present scale will continue to draw less pay than what officers drew in 1875. Now, Sir, one result is that throughout the Provinces of India in all the regular line posts, there are senior officers of 22 years' service and over drawing less pay than officers of the same seniority 50 years ago ; they are actually drawing less rupees per month. Since the 1919 scale of pay, senior officers in many Provinces have been actually drawing less than before. Commissioners, Financial Commissioners, Chief Secretaries, all had their pay reduced by the 1919 scale. Now, Sir, one of the biggest difficulties which faces the Government in trying to deal fairly with its Services is this problem of the block in promotion, and it was owing to this block in promotion that there was

a very serious decline in prospects, which led to the appointment of the Islington Commission. That Commission, Sir, set itself, not to increase the pay of our Services, but to remove the effects of the blocking of promotion. There has been a great deal said about the year 1898 and I will say something more now. The year 1898 was referred to in the Montford Report. If you compare the 1919 scale with the pay drawn in 1898, it will be seen that beyond the first few years there is not a single year which received more pay than that drawn in 1898. In fact, the 1919 scale gave less than the average of 1898. This difference, Sir, was made up by the overseas pay, and thus the 1919 scale became practically the 1898 scale. Now, the 1919 scale dealt with the blocking of promotion. The result was that it gave a rise of pay of about 25 per cent. to officers from the 7th to the 16th year of service. Above 16 years it gave less and above 21 years it actually gave a scale which was less than that drawn in 1875. I am mentioning these facts because there is the impression in the House that the 1919 scale has given much to the Services. It has also been mentioned in this House that this scale led to increased expenditure. That increase of expenditure, Sir, did not represent any fresh burden. It simply represented the sum which had been saved to the State by the accumulated blocking of promotion. Even the Report of the Lee Commission will pay the members of the Indian Civil Service less than 25 per cent. over the 1875 scale. Now, Sir, Honourable Members have not fully appreciated this important matter, because when the Secretary of State has to advertise for recruits, he actually has to advertise the best and most favourable terms. In the Communiqué of 1919 it was mentioned that "the new time-scale represents a substantial increase in the rates at present in force. The initial emoluments have been raised by 50 per cent." Well, Sir, people might think that this 1919 time-scale represented a considerable rise in pay. I must admit that it did raise the initial emoluments by 50 per cent. for the first six months. But officers in the second year of their service drew less. In fact they would have preferred to draw the old scale because in 1919 we were feeling the effects of the stoppage of recruitment during the war. The result was that the lowest grade of Assistant Commissioners was practically empty. Any young man who entered into the Service would act in the 700 grade after the first year of his service.

Mr. President : I will ask the Honourable Member to draw his remarks to a close.

Mr. H. Calvert : I have to deal with various Services and I hope you will just give me a few minutes. The main point is that these Services are a source of profit to the State. The forests of India in 1875 were going to destruction. We got trained men about that time and they are now a source of profit to the State and are earning a large income. The Irrigation Services have added to the revenues of India something like 83 crores. The Engineering Service has also done a lot for the country. The Railways of India have latterly been giving an annual net surplus. They have not been a burden on the tax-payer. If we consider the question of proportion I may say, Sir, that the recommendations of the Lee Commission will have practically no effect on the tax-payer. In the Irrigation Department the pay of the Imperial Service officers is only 1.9 per cent. of the gross receipts from the Irrigation works. It is about less than 3 per cent. on construction. Thus

the cost of the Imperial Service is practically negligible, and the small rise of 6 or 7 per cent. is nothing. I know, Sir, that some Honourable Members do not give us the credit for adding to the material prosperity of India. I may just mention, Sir, that the Irrigation Works now bring in a gross produce of about 170 crores of rupees every year. Yet Diwan Bahadur Rangachariar and Pandit Motilal Nehru say that the tax-payers cannot afford to pay the enormous amount. There is no time to go into the details, but the population which depends upon this irrigation is something like 45 millions, which is larger than the whole population of France. The area under irrigation is at present something like 28 million acres and, if works under construction are brought to completion, the area will be increased to 40 million acres.

Mr. President : The Honourable Member has exceeded his time-limit and is now becoming irrelevant.

Mr. H. Calvert : They are not a burden on the State. The European Services in this country bring large sums of revenue every year which relieves the tax-payer. They bring large sums of money from Irrigation ; large sums of money from Railways and large sums of money from " Civil Justice." So far from being a burden on the tax-payer they relieve the tax-payer of these large sums of money, which would have to be raised otherwise.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Sir, I rise to support the Honourable Pandit Motilal Nehru's amendment. My electorate, the Indian Merchants' Chamber of Bombay, gave evidence before the Lee Commission and that evidence was not given under the seal of secrecy, but was available to the press at that time. My views, therefore, to-day before this House will be in conformity with that evidence and will be in disapproval of the Report submitted by the Lee Commissioners.

The Honourable the Commerce Member reminded this House at the very start of his speech that they were dealing with the Report of a Commission which was a Royal Commission, a Commission appointed by His Majesty the King Emperor. I have no doubt that the Honourable Member referred to this in order to remind the Honourable Members that their sense of loyalty to the Crown required them to consider the Report with all the respect due to the appointment by the Crown, and perhaps partly asking for the endorsement of the Report on the same ground. I wish the Honourable the Commerce Member had also reminded this House that His Majesty the King Emperor, George V, was a constitutional Monarch of a most high and ideal order and that it would be best for this Assembly ever hereafter, whenever any question comes before them, to bear in mind that the King can do no wrong.

If any wrong is done to the subjects of His Majesty the King Emperor, it is owing to the advice to His Majesty, which he, as the ideal constitutional Monarch, is bound to follow. I therefore submit, Sir, that there is nothing wanting in loyalty to the Crown if this House considers even the Royal Commission's Report, not on sentiment of deep loyalty to the Crown, which I know is embedded in the minds of every one in this House, but on merits of the Report.

I would, Sir, before I pass on, refer to the last portion of the speech of the Honourable the Leader of the House. I do not know if my

Honourable friend from Madras, Mr. Shanmukham Chetty, had it from the Leader of the House that he (the latter) referred in his criticism of the Services to them as "mercenary hordes" in order to fit in his excellent quotation at the end, but I should like, Sir, to pay my tribute of admiration to the great and good work that has been done by the Services till now. I am sure, however, that the Honourable the Leader of the House will admit that, if the Services have done well by India, India also till now has treated the Services very well indeed.....

The Honourable Sir Alexander Muddiman : I should like to assure my Honourable friend that I did not make remarks of that kind in order to adorn my speech ; I said that because I felt it and felt it deeply.

Sir Purshotamdas Thakurdas : I have no doubt of that because I felt the Honourable the Leader of the House spoke with genuine feeling and hence my reference. But, Sir, that admiration on our part of the work done by the Services till now should not prevent us from looking at the proposition put before us in a fair-minded way, in a spirit of justice both to the Services, and I claim in a spirit of justice and fair-mindedness, also to the tax-payer.

Grave warnings have been uttered in responsible quarters before now regarding the apprehensions of some in case the Royal Commission's recommendations are not put in force. Viscount Lee, speaking in the House of Lords, said :

"The present position is, as it seems to me, deplorable and must be alleviated, unless we are prepared to say that we are going....to step out of our responsibility in India and haul down the flag."

Later on he said :

"I go further and state my belief that, unless the morale and contentment of the Services be restored, it will be the first step on the road to our losing India altogether."

Viscount Inchcape said :

"If the authority of the Viceroy and the Civil Services," (*I would like the House to mark the bracketing*) "should be undermined, then woe betide the country."

The Marquess Curzon after deploring that a fatal inertia had settled down on everybody, and nobody could make up their minds what they were going to do, except the Swarajists, wound up his speech by asking what the Government were going to do. He said :

"Are they going to embark once again, as it is such a temptation to Governments to do, upon a course of vacillation here and compromise there, and surrender somewhere else,—a policy of drift all round ?"

He said :

"That, as every member allows, means disaster and damnation, not only to us, but to India itself."

These are grave warnings by persons distinguished for great services to the Empire, but one cannot help observing that these Noble Lords look at the problems facing the Government of India and this Assembly at present only from one narrow point of view, namely, how to maintain the supremacy of England in India on the same basis as existed perhaps at the period when the Crown took over India. That, I submit, is a serious omission and must prejudice their conclusions. The result is that the British Parliament and people are

unable to get at the real state of things here in India. Even the Government of India are not good enough at times to command the confidence of some of these gentry.

And now, Sir, what is the nature of the Report which we are told must be accepted by this House, and which, if this House does not accept, very grave and dismal things will happen? Viscount Lee again in the House of Lords admitted that it was a "compromise, balanced and honourable" as he put it. It therefore follows that the conclusions of the Royal Commission are not logical and just conclusions of the Commissioners on the evidence recorded by them. As My Honourable friend Mr. Chetty said yesterday, there are two parties to this compromise, the first the Indian Commissioners and the other the British Commissioners. How much did each compromise is what this country wants to know? Who sacrificed fundamental principles and who sacrificed minor details? The Indian Commissioners have been criticised, not in their personal capacity, Sir, but as Commissioners on that Royal Commission, for the reason that India suspects that they gave way on substance and that the British Commissioners gave way on shadow and on small details. May I ask the Honourable the Commerce Member, Sir, whether a Commission, and a Royal Commission at that, was appointed for the purpose of a compromise? Was that a part of the reference to the Royal Commission? Should it not have been left to the Government and to this Assembly, if necessary, to compromise? Were they not bound to submit to His Majesty a report based on their just and fair conclusions, arrived at on the evidence and the material submitted to them? I therefore am surprised at Honourable Members getting up one after another and saying that the Report is a document which merits our acceptance, in spite of the absence of any evidence on which they went. I am awaiting from the Honourable the Leader of the House a few of the instances, which he said yesterday at question time he knew of many, where the Government of India had accepted reports of Commissions and Committees without the relative evidence being submitted. I hope the Honourable the Leader of the House, when he gets up to reply to this debate, may be able to give me a few instances, barring the one instance which was hurled at me from the benches opposite, namely, the instance of the Incheape Committee's Report, an instance which, I submit, does not stand on all fours and is not of the same nature as the instances which the Honourable the Leader of the House promised, and which this House expects.

Sir, the Royal Commission seem to have followed a most extraordinary procedure. In paragraphs 106 and 107 they say that 411 witnesses were examined by them. 152 of these only could stand the light of public criticism and of public information of their views. This by the way amounts to only 35 per cent. of the total number of witnesses. 65 per cent. of these witnesses elected, or if there is anything, in what my Honourable friend the Pandit mentioned, were asked to give evidence in camera. I am not expressing an opinion; I expect the Honourable the Leader of the House to give a reply later to what was said by Pandit Motilal Nehru regarding what happened to some witnesses in Madras. But, Sir, it does not stop there. We should like to know who it is that elected to give evidence only in camera. Even the names of the witnesses who appeared before the Commission are not given in the body of the Report. Certainly it is in fairness due to the Honourable

Member Mr. Calvert, the President of the Services Association in India, that we should know the names of members of the Services who insisted on absolute secrecy of their views, for did not my friend say that all the members of the Services gave their evidence in public ? Why then are their views not submitted to this House ?

I will wind up, Sir, by naming only eight items on which I think the Commission should have attached statements showing the facts and figures into which they must have gone or they ought to have gone before they could make up their minds. There are no statements attached to the Report regarding examination of figures by the Royal Commission of the following :

1. Increases in cost of living in India as compared with increases in the cost of living in England.

2. Comparisons with other countries such as important countries of Europe, America, Japan, and the Colonies, including the Crown Colonies, of increased cost of living and increases given in these various countries to their Services.

3. Increases given to the Provincial Services in India with grades of their pays. I mention grades of pays because I think it very necessary to know what grades of pays were being dealt with, for it is evident that a peon has to be given an increase every time the cost of living goes up even by a rupee or two because his margin of savings is so small.

4. Increase and percentage of the increases to Provincial Services.

5. Increases given, if any, to the Medical Services.

6. Increases given to the Military Services.

7. Increases given by commercial firms during the war, which was a "boom" period for trade and which was apparently a prosperous time for all commercial firms.

8. Decreases and cuts made by commercial firms since 1920-21 which has been a period of depression and therefore of adversity for these commercial firms.

Sir, I feel that if these statements were attached to the Report, even without the evidence being submitted to us, it would have enabled us to make sure that the Royal Commission had examined all these various aspects which are indicated by these various tables that I have asked for and we could ourselves judge the question better than to-day.

In Chapter 6 of the Report the Commission consider the question of pay and allowances and in paragraph 47 they come to the conclusion that the present rates of pay are below the level which proved attractive 20 years ago. The question however is what about the allowances and increases introduced during the last 20 years, and have there not been other concessions given, directly or indirectly, during the last 20 years ? I see the Honourable the Finance Member says "None". I will only mention the omission of the 4 per cent. contribution to annuity which was calculated in the year 1914 to have cost the State 9 lakhs of rupees. That is at least one instance ; but I have in my mind, Sir, the time-scale, better leave rules and—I speak subject to correction—changes in the pension rules. The Commissioners go on in paragraph 48 to state how, in their opinion,

employés of commercial firms have done better since 1914 than the All-India Services. It is surprising that the Commission should have overlooked here the obvious difference between service in a commercial firm and services such as the All-India Services. In the former—that is, a commercial firm—the prospects of a recruit are absolutely dependent on the progress of the firm. It is true that in prosperous concerns the few men at the top do very well, but these are invariably men of proved ability and of acknowledged popularity with the community in the midst of which the firm's business may lie. The others not only never get anywhere near the top but get no concessions like proportionate pensions—which by the way is going to cost India a good deal—should they conceive a dislike for their selected firms or for their selected lines. Further, promotions in Government service are more or less assured and safe, whereas in commercial firms they depend on absolute merit and capacity. I have got, Sir, here a statement again of one of the largest employers of commercial labour in India, Viscount Incheape, who, speaking in the House of Lords in response to Viscount Lee's invitation on the 31st July last, said :

“ At the end of the third year the emoluments increase according to ability displayed.”

Not according to a time-scale nor according to grade but according to ability. He further went on to say :

“ Beyond that they rise gradually to Rs. 3,000 ”—*according to merit again*—“ and those who have shown exceptional ability are admitted as partners, though, of course, this is not possible in every case, just as it is impossible for every midshipman to become an admiral.”

But in Government service it is possible, it is feasible, it is claimed as a right, that the junior entering the service on Rs. 600 or 700 must get to Rs. 3,000 or Rs. 3,500.

The Honourable Mr. A. C. Chatterjee (Industries Member) : Oh no ; that is not so.

Sir Purshotamdas Thakurdas : And yet we are told that service in the superior grade of the Government of India and service in commercial firms has much in common. In short, Sir, careers in the All-India Services are assured except in cases of proved fraud. One wonders if the commercial firms of whom the Commission made inquiries told them really that the average careers there were anything like as safe and as secure for promotion to the highest offices as they are known to be in the All-India Services. But the most interesting difference in this respect is narrated in paragraph 82 of the Report. The Commissioners say :

“ The Services claim that whatever may be the legal interpretation of the words ‘ existing or accruing rights ’ their intention was to secure to them the prospects of promotion to all higher posts existing at the time the Act was passed or alternatively to secure for them compensation for the loss of such prospect through the abolition of these appointments.”

The Commission's recommendation requires to be narrated in their own words :

“ We recommend therefore that the Secretary of State should refer such claims for compensation, as they rise for consideration and report by the Public Services Commission, which being the expert authority in India on all service questions, will be well qualified to form a just opinion.”

The Indian Members—for once they differ somewhere in the Report from their colleagues—the Indian Members would limit this reference to the Public Services Commission to cases other than those necessitated

by retrenchment or curtailment of work. One wonders what commercial firms were known to the Commission to even consider such claims. If a firm made up their mind to restrict the scope of their business, would their staff have any claim against them, Sir? I really wonder if things having something common were being considered by the Commission.

The question of security of pension in the All-India Services is another point in the same category. Cases have been known of pensions and provident funds of staffs of commercial firms, and I will add, in order that I may not be interrupted, even of big banking institutions, disappearing with the solvency of the concerns where the men were serving. It is therefore difficult to feel that the Commission were trying to compare two things that were at all alike. It is difficult even to conjecture, Sir, the species of commercial business to which the Commission refer in paragraph 48 of their Report. As stated above the security of posts and practical guarantee of promotion is, beyond comparison, more assured in Government service in India than in any other service, commercial or industrial. In fact, amongst us Indians, it is notorious that, despite serious handicaps to Indians in Government service, there is always a craving for a post in Government service based on what, Sir? Based on the securities named above, namely, the security of promotion and the security of service. No reference is made to these facts which proves that the Commission either had not these points of view put before them, or if they were put before them, they were not given the consideration which they very strongly carry with them.

Mr. President : I will ask the Honourable Member to bring his remarks to a close.

Sir Purshotamdas Thakurdas : The only question that remains to be considered is, whether the pay, allowances and pensions of the All-India Services are adequate or not. In paragraph 46 the Commission say that the Services placed before them carefully compiled statements of current income and expenditure. Even these, Sir, are not attached to the Report, and one wonders whether they were handed in under the seal of secrecy. I know that subsequently some of these have been circulated to the House, but the Commission did not print those that they mention. Now, what is the basis which the Commission go upon? They go upon the basis or rather the criterion adopted by the Islington Commission, namely, not merely to give the Services an adequate return according to the market value of such hands, but to give them the rate which proved attractive twenty years back. And, Sir, what was the rate which was attractive twenty years ago? What was the saving then made by the Services? What is it that we are asked to provide in order that the Services may be contented?

I shall pass on to a further aspect of the question. Mr. Calvert said that the increase of pay to the Services since 1875 has been 8 per cent. I understood the Honourable the Leader of the House to say that it was something between 10 and 11 per cent. But I have here the reply given by Earl Winterton on 21st February 1923 to a question by Mr. Hancock, asking for the number of officers in the Indian Civil Service during the years 1913-14 to 1922-23 and their pay and allowances, taking the rupee at 16d. In 1913-14 the average worked out to £1,580 per head; in 1918-19 it worked out to £1,658 per head, in 1920-21 to £1,928 per head, and in 1922-23 to £2,024 per head. By simple division I have worked out the percentage of increase to be about 20 per cent. Now

Sir, may I ask if, in view of the increase in prices of 100 per cent., the various other Services in India have been given increases commensurate with it, and if not, will the Government tolerate any demand by them if they put forward their budgets and show that even with the increases which they have been given they cannot make both ends meet?

I now pass on hurriedly to my main conclusion.

Mr. President : The Honourable Member cannot develop his main conclusion now.

Sir Purshotamdas Thakurdas : May I speak for five minutes more?

Mr. President : No.

The Honourable Sir Basil Blackett : (Finance Member) : Sir, I rise to oppose the amendment which has been moved by the Honourable Pandit. I shall endeavour in doing so to fulfil the promise which was made on my behalf by the Honourable the Leader of the House that I would deal with more general questions in regard to the financial effect of the Lee Commission's proposals. I shall also endeavour to answer to the best of my ability some of the questions—not as numerous I confess as I expected—which have been addressed to me by Honourable Members in the course of the debate on financial details; and although we have been reminded that comparisons are odious, I shall do my best to put a little material before the House in regard to the comparative emoluments of civil servants in other parts of the British Empire.

I will begin with the cost of the proposals. I circulated on the 3rd September an answer to an unstarred question by the Honourable Diwan Bahadur Ramachandra Rao. I am not sure that that answer has received any publicity; so it may be useful for me to read it:

"If the recommendations of the Lee Commission are accepted in the form in which they were made, the estimated cost distributed between the Government of India and the Provinces is as follows:

	Lakhs.
Government of India	26
Madras	9.7
Bombay	9.7
Bengal	9.3
United Provinces	10.8
Punjab	9.1
Burma	10
Bihar and Orissa	4.9
Central Provinces	5.7
Assam	2.9

The calculation has been made on the basis of a 16 pence rupee, and as exchange has been higher the actual expenditure in the current year would be less. But, on the other hand, it is possible, as the Commission recognised, that the number of officers taking advantage of the passage concession in the first few years might be above normal. Secondly, the above calculation does not take into account the cost of the recommendations regarding house rent and medical attendance, which it is not possible to estimate accurately. In addition there will be a sum of approximately Rs. 1½ lakhs for the first year, increasing by roughly the same figure every year for about 14 or 15 years, representing the cost of the pension concessions of which it is not possible to show the distribution among the different Governments. The above represents the figures of cost as calculated by the Commission itself. To this may have to be added a sum of approximately 18 lakhs per annum, if it is decided to extend the Commission's proposals to officers of the Great Indian Peninsula and East Indian Railways which will shortly become State-managed lines and to officers of Company-managed lines."

I lay stress on the point about exchange. Having regard to the present rate of exchange the figures as they stand in the case of the Provinces may, I think, be taken as the maxima. I have made a rough calculation of the amount of overseas pay, present and proposed, which under our suggestions would be payable in sterling. At 16 pence to the rupee this would amount to Rs. 142½ lakhs; at 17 pence to Rs. 134 lakhs; at 18 pence to Rs. 127 lakhs; at to-day's rate of exchange, say 1s. 5½d. it is approximately 130 lakhs, a saving that is to say of Rs. 12 lakhs over the figures I have read out in the answer. As against this we have to set the figure of about Rs. 7 lakhs which will be the maximum cost if we are to extend relief to all posts above the time-scale not drawing more than Rs. 3,000 a month. It would be less than 7 lakhs if the relief were extended only to selected posts. I would further lay stress on the fact that Indianisation, even if the existing basic rates of pay of Indians are left untouched, involves a progressive saving as stated by the Honourable the Leader of the House. So far as I can see, therefore, the figures which I have given in the case of the Provincial Governments may be taken as representing approximately the maximum cost of these proposals. It will be observed that only in one case does the additional cost exceed Rs. 10 lakhs. It is 10.8 lakhs in the case of the United Provinces.

In the case of the Government of India unfortunately the position is not quite so simple. In the answer that I have read out the direct cost of the Government of India is given as 26 lakhs. 18 lakhs which arise under the head of Railways belong properly to the Railways and ought to be met out of the railway earnings. If the proposals now under consideration in regard to the separation of railway finances from the general finances are given effect to in something like the form in which they now stand, this charge will fall not on the tax-payer but on the railway reserve.

Dr. Gour and Sir Purshotamdas Thakurdas and others have asked me questions as to the indirect effect on the Army and on Provincial Services. Dr. Gour used the word "uncovenanted services"; but I think that must have been a slip of the tongue. All the Services, except the Indian Civil Service, are uncovenanted services. The proposals of the Lee Commission apply to all the Superior Services. There is no doubt some little difficulty in deciding exactly which are the superior posts in some of the Central Services to which relief should be extended. But in the case of the Provincial Services about which Dr. Gour is anxious, I see no reason why there should be any additional cost. On the contrary, I should hope that the question of the reduction of basic pay might eventually lead to some economy. The Honourable Diwan Bahadur Rangachariar made great play with the additional cost of the Services generally since some years ago. I think he must have failed to realise that far the greater part of that additional cost—something approaching Rs. 10 crores—is due to the revision of the scales of pay of the Provincial Services in 1920.

They were revised at a time when the cost of living was at its highest and, if he will follow up his own argument about reduction in the cost of living since then, he will see that, so far from a proportionate increase in the cost of the Provincial Services being threatened, there are reasons for considering the reverse.

So far as the civil charges of the Government of India are concerned, therefore, I am prepared to take a figure of very little over 26 lakhs as a probable maximum. The indirect effect in the case of the military budget is more difficult to deal with. It is not possible to give a direct answer

in figures to the question what is the additional expenditure that will be incurred under the head of the military expenditure in consequence of the Lee Commission's Report. It is impossible to say, as we can say on the civil side, that the extra cost will be so many lakhs. The decision in regard to the Medical Services on the civil side, when taken, may possibly involve some quite minor increase in the cost on the Army side of the Medical and Veterinary Services, but there is also the more important question of the pay of the Army officer. Now, the Report of the Lee Commission does not directly affect the Army Officer, but it does affect the atmosphere in which consideration is being given to the revision of the pay of the Army officer which in any case was due in July 1924. In that month the five years for which Army pay was fixed in 1919 came to an end. Almost simultaneously with the receipt of the Lee Commission's Report by the Government of India, the Government of India had before them proposals prepared without reference to that Report for a revision of the pay of the Army officer. It has been impossible to obtain a decision as yet on those proposals, mainly because the Government at Home has not yet succeeded in arriving at a decision as to the revised rate of pay to be brought in in July 1924 for British Army officers in England, and that is the basic figure from which any calculation of the pay of the Army officer in India has to start. But the fact that this is the starting point shows that the basis for Army pay is something quite different from anything in the Lee Commission's Report. The Report, therefore, has no direct bearing on the question of the Army. In one respect it is probable there may be a direct effect. That is the question of passages. If, as is likely, something corresponding to the passage concession is given to Army officers, it is estimated that the extra cost of such a concession will be from 12 to 15 lakhs. This is the only figure I can give in regard to military expenditure. But I can add this. The extra cost of the passage concession and the other extra cost that I have mentioned, and the extra cost of the revision of pay now under consideration, whatever the final decision may be, is not likely to be so great as to prevent the established charges for the Army for 1925-6 from being brought down well below the corresponding figure for 1924-5, assuming, as one must for the purposes of such a comparison, that the rate of exchange is the same.

The House will see from these figures that the additional expenditure to be faced in the Budget for 1924-5 and succeeding years is at any rate a matter of lakhs and not a matter of crores, and it ought not to prove in any way unmanageable. No Finance Member likes additional expenditure for its own sake, and I can assure the House that, both during the time when the Lee Commission was sitting and since, the problems arising out of the necessity of meeting this additional expenditure have never been absent from my attention.

But, in considering this additional expenditure, there is another side to the picture. The Honourable Diwan Bahadur Rangachariar questioned the statement made by my Honourable Colleague, the Home Member, and by the Royal Commission, in regard to the rate of exchange which was taken as the basis for fixing the revision of the rates of pay in 1919-20. The Royal Commission stated it and my Honourable Colleague, the Home Member, has stated it as a fact, but still the Honourable Diwan Bahadur seems to be unconvinced. Let me give him further authority.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Contemporaneous.

The Honourable Sir Basil Blackett : Lord Chelmsford was Viceroy at the time when the revision was made. He ought to know. Speaking in the House on the 31st of July of this year.....

Diwan Bahadur T. Rangachariar : I want contemporaneous authority.

The Honourable Sir Basil Blackett : Wait and you will get it. Speaking in the House of Lords on the 31st of July of this year, he said :

“ Secondly, as the Secretary of State mentioned in his speech the other day, when we at headquarters were examining the problem, the rupee at that moment stood at something like 2s. 8d. to the £. The Committee which had been appointed to deal with the rupee had fixed the rupee at 2 sh. and promised us in their Report that that was what the value of the rupee was likely to stand at in the future. Your Lordships can well see that recommendations with regard to salaries with the rupee at 2s. 8d. or certainly at 2s. were recommendations which must be dealt with in a very different manner from when the rupee was standing at 1s. 4d. The whole problem of the cost of journeys would be almost halved for the civil servant. The cost of remission Home to England, similarly, would be greatly lessened. We frankly thought at that time that the question of the salaries really did not arise, that the Indian Civil Service, with the rupee standing at that figure, would be in a very admirable position. Then, as we all know, the rupee fell again to 1s. 4d. subsequent to our recommendations ; hence all the trouble in which we find ourselves.”

Mr. Montagu, who was Secretary of State at the time, has also stated that the revision was based on a two shilling rupee.

As the Honourable Diwan Bahadur is still unconvinced, I should like to inform him that I have examined the files myself very carefully, and there it is definitely stated that the rise of the rupee to two shillings was sufficient to justify refusing further increase in the pay and also to justify the abolition of the Exchange Compensation Allowance without any corresponding addition to pay, contrary to the proposal of the Islington Commission. There is, further, a statement that, if the rupee should at any time fall, the whole matter would have to be reopened. If the Honourable Diwan Bahadur wishes still to question the statement, I am afraid he can only do so by saying that I tell untruths.

Diwan Bahadur T. Rangachariar : No wrong impressions, that is all.

The Honourable Sir Basil Blackett : Others have urged that the present increase should be made temporary and not permanent, should be based on some index number. Had the system of a war bonus been adopted in India as it was in England towards the end of the war and had it been based on some index number, we should have been spending in addition to what we have spent not lakhs but crores on the pay of the Superior Services in the years after the war. The relief now proposed is in other words overdue, and more than overdue. It has been postponed solely owing to the financial exigencies of the Indian Budget, and I suggest that the Indian tax-payer, if he examines the important but still comparatively small increase in the expenditure which is now proposed, should remember that, out of consideration for him, a considerably larger annual expenditure has been put off from year to year, at least since 1920, at the expense of the Services. The Honourable Diwan Bahadur Rangachariar—I hope quite unintentionally—made a very misleading use of the Bombay index number. Throughout he made comparisons with 1920. But the revision of pay of the Services which was made at the end of 1919 on the basis of the recommendations put forward by the Government of India during the summer and the early autumn of 1919.

Diwan Bahadur T. Rangachariar : Some of them were also made in 1920.

The Honourable Sir Basil Blackett : They were consequential, based not on new comparisons but on a comparison of what had already been given in other parts of the services, that is to say, on comparisons of figures which were arrived at on the basis of 1919 and not 1920 figures of cost of living. The Bombay index number for the cost of living for Europeans was 147 in October, 1919 (as compared with 100 in 1914), 158 in October, 1920, 168 in July, 1923, and 165 in March, 1924, which was the date when the Lee Commission reported. It has since fallen, I think, to 162. During the same period the rupee has fallen from just about 2s. in October, 1919,—it rose to 2s. 8d. for a short period in 1920—to a level of something below 1s. 3d., and it is now about 1s. 5½d. Take the figures given by the Honourable Diwan Bahadur Rangachariar himself. The cost of the pay and allowances of the Civil Service which he gave showed a rise from a figure of Rs. 572 lakhs before the war to 667 lakhs before this increase, an increase of 17 per cent. As I have shown, the increase in prices according to the Bombay index number is not 17 per cent. but 65 per cent. Can it be maintained for a moment that an increase is not long overdue? I cannot believe that the Honourable Diwan Bahadur Rangachariar or Sir Purshotamdas Thakurdas who spoke just now really desire to dissociate themselves from the view that has been expressed by nearly every other Honourable Member who has spoken that in principle at any rate the grant of relief on the lines proposed by the Lee Commission is just and the Services ought to be given the increases proposed if a case is made out.

Sir Purshotamdas Thakurdas : I may add, if the Honourable Member does not mind, “if a case is made out to the satisfaction of this House”, not only of the Government of India. I certainly agree to that principle.

The Honourable Sir Basil Blackett : This House has been trying to do its proper work when it has asked some of these questions, and I am about to do my best to give it some further material on which it can make up its mind. I have a great deal of material available, but time will, I fear, prevent me from giving more than a small portion of it. In the United Kingdom, since 1917, there has been a system of war bonus increase in force, depending on the cost of living index. It has varied from time to time, but at the present time, taking the figure of 75 per cent, as the increase in the cost of living since 1914, bonuses are given as follows:—

If the basic salary does not exceed £200 a year ..	Bonus increase of 53 per cent.
If it does not exceed £400 a year	Bonus increase of 39 per cent.
If it does not exceed £500 a year	Bonus increase of 37 per cent.
If it does not exceed £700 a year	Bonus increase of 28 per cent.
If it does not exceed £900 a year	Bonus increase of 24 per cent.
If it does not exceed £1,200 a year	Bonus increase of 18 per cent.
If it does not exceed £1,500 a year	Bonus increase of 13 per cent.

No increase is given which has the effect of bringing the total salary above £2,000 a year, but I would add that since the war, a revision of the pay of the posts at the top, which was under contemplation before the war, has been put into effect, with the result that something like 25 posts of Heads of Departments have been raised from £2,000 to £3,000 a year.

with corresponding increases in the posts on the next scale, which are now fixed at £2,200. Corresponding war bonuses or bonus increases have been given in other countries. As I have said, I am not sure that it would not have been more logical if a war bonus system had actually been adopted in 1918-19.

Diwan Bahadur T. Rangachariar : Why not now ?

The Honourable Sir Basil Blackett : I am coming to that. It would have been more advantageous to the Superior Services though it might have saved something in the cost of the Provincial Services. I will come later to the objections to giving it now. As regards passages, I find in Ceylon return passages are granted by the Ceylon Government after a period of 4 years' residence to all officers domiciled outside Ceylon, their wives and children including unmarried dependent daughters, but not sons over the age of 18, in each case not exceeding five passages in all. In special cases, the concession is granted to officers who have not put in the qualifying four years' residence. In the Straits Settlements and Hongkong passages are granted to officers domiciled in Europe or the Dominions, whose maximum salary is £490 per annum or over after four years of service. Similar concessions are granted to their wives and children up to a total of five persons in all,—sons under 16 and unmarried daughters. In the case of Egypt and Sudan, a passage allowance is granted in one direction every year, and, if no passage allowance has been drawn in the previous year, in both directions. This allowance is extended to the wife and children.

Mr. D. V. Belvi (Bombay Southern Division: Non-Muhammadan Rural) : What is the scale of pay in all these countries ?

The Honourable Sir Basil Blackett : As regards pensions, in Ceylon and Hong Kong the maximum pension is £1,300 a year. It is obtained at the age of 55. The same is true in the case of the Straits Settlements. In all the three cases temporary increase has been given with reference to the cost of living in England. As regards medical attendance, in Malaya officers are entitled to such free treatment as the Government has available but not free hospital treatment. The same is true in Hong Kong. In other cases, they are given more favourable treatment because they are given both hospital attendance and free medical attendance.

I am asked a question as regards the scales of pay. It is always difficult to make comparisons because you have to know—which you do not generally know—the exact nature of the work done by the different officers in the different countries. I have elaborate comparisons available, but they are not illuminating without going very deeply into the character of the work done in both cases. I think it is true to say that, generally speaking, the basic rates of pay in the I. C. S. are higher than in most other Services. The same is not true of any of the other Services and in the case of the I. C. S. it has to be remembered that it has been the Service which has hitherto been sought after above all others by the Europeans desiring to enter Government service abroad and that the people who have gone to the other places are those who have failed to come to India. Conditions also vary very greatly in various countries. The cost of living differs, and the whole basis of living is different in different countries.

The comparisons I have given are, I am afraid, a little haphazard, but I have given them first of all in order to show that the Lee Commission

and the Government of India have examined the question of the pay of the Civil Service with reference to the statistics available as to the position in very many other countries. They have examined them thoroughly and have arrived at their conclusions in the light of such examination. Of course, in the case of the Indian Civil Service, the fact stares us in the face that the index number has gone up by something like 60 to 65 per cent. I do not want to attach too much importance to index numbers. This is the index number for Bombay only. I think, however, that it is a useful criterion on which we can found a general case. There is no doubt that the cost of living for the European as well as for the Indian varies very greatly in different parts of India, so much so that an index number for the whole of India is meaningless. At the same time, the proportionate increase in the cost of living both to the European and to the Indian is probably not very different in different parts of the country. Although the starting figure may be different, the average increase is very much the same. The average increase of the pay of the Services since 1914 in no case is anything like 65 or 60 per cent. I believe in the case of the Police, it may exceed 30 per cent.; in the other cases, it is not so much,—an average increase of about 20 per cent. I do not think that these figures suggest that the Government of India have been inconsiderate to the tax-payer in postponing for four years an overdue increase and in giving something very much less than would be claimed if the cost of living were the sole criterion, which of course it is not.

A question has been asked why we do not make the present increases temporary. As I have said, this matter was considered carefully in 1918 and the proposal was eventually not adopted, chiefly because of the enormous difficulty of getting an adequate index number. It will be remembered that even in the United Kingdom there have been furious protests against the inadequacy of the index number on such occasions as it happened to show a fall. It is extremely difficult to frame an index number for India, but I would say further that it is also less necessary now than it may have been in 1918 or 1919. We are not likely to see catastrophic changes in prices of the kind that have been taking place in the last ten years. It is possible that there may be considerable variations, but not catastrophic variations of the kind that have taken place. The other countries which have adopted the bonus system are now in most cases engaged in converting the bonus increase into a basic pay. They are leaving the bonus system because it is seen to have outlived its usefulness. I do not think that the introduction of a bonus system here would be valuable having regard to the difficulties of an index number, nor important having regard to the comparatively small fluctuations which are likely to occur in the next decade. Moreover, under the proposals of the Lee Commission as modified by the Government, there is one automatic variable, namely, the overseas pay in sterling. This will vary up and down so long as we have a fluctuating exchange value of rupee in terms of sterling. If my Honourable friend Sir Purshotamdas Thakurdas's Bills were passed and the exchange fixed in terms of gold, there would still be just as much fluctuation in terms of sterling until sterling arrives at par with gold. I should like now to turn for a moment to the amendment which we have now under consideration.

Khan Bahadur W. M. Hussanally (Sind: Muhammadan Rural): May I Sir, inquire whether these figures and statistics which are now being

placed before us were supplied to the Lee Commission, and, if so, why they were not embodied in the Report so as to allow us to consider them in dealing with its recommendations ?

The Honourable Sir Basil Blackett : The Lee Commission certainly had figures before them. They were the judges of what was necessary to be embodied in their Report, and I do not think that I can be called upon to answer a question as to why they chose not to do something. There are many other questions of that sort which we might spend our time on.

The amendment which we have before us, like some of the other amendments on the paper, is a lengthy one. The original Resolution is brevity itself in comparison with the amendment, and I think that the discussions that we have been having on this subject have not erred on the side of terseness. I shall make that my excuse to ask you, Sir, and the House to bear with me if I exceed by a little my time-limit, but I will endeavour to keep my excess within the narrowest possible bounds. Like Colonel Crawford, whom I congratulate on his maiden speech,—and if I may add it, I congratulate him in particular on having been audible to every Member of the House—like Colonel Crawford I am rather startled by the facts in the preamble to the amendment. How many of them are really facts ? Let me take them in order. Fact (a) says that the Royal Commission “ was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly.” I demur to the adjective “ utter ” but I will take the rest as a statement of fact. I am even willing to concede for the purposes of argument that at one time the Government of India may have thought that it would be preferable to make the inquiry by some other method than by means of a Royal Commission. But the only point that was in question was what should be the method of inquiry. That was the only point that was in question with the House when it discussed this subject. There was no question but that the problem....

Dr. H. S. Gour (Central Provinces Hindi Divisions: Non-Muhamadan): Not merely the method, but what should be the scope.

The Honourable Sir Basil Blackett : There was no question but that the problem of what should be paid to the Services must be taken up at an early date and could not be postponed much longer—there was no question at all. Obviously, it does not follow that the proposals which have been made by the Royal Commission should be turned down just because the first Assembly did not like the form which the inquiry took. I think I am right in saying that the Honourable Pandit Motilal Nehru himself did not like the form which this Assembly itself took under the Government of India Act. Nevertheless he has entered it and he is taking part in our deliberations. He spoke of the reforms as a wooden horse—I think he said, a hollow wooden horse. My thoughts flew at once to the most famous wooden horse of history. That also was a hollow wooden horse which was fashioned by the divine wisdom of Pallas Athenae for the storming of the citadel of Troy.

Pandit Motilal Nehru (Cities of the U. P.: Non-Muhammadan Urban) : I only meant the common rocking horse sold in the shops.

The Honourable Sir Basil Blackett : I am speaking of another hollow wooden horse which was fashioned by divine wisdom. Steel-framed men

climbed into its bowels. The Steel-framed army of Troy dragged the wooden horse through a breach in the walls into the inner heart of sacred Ilium. May I suggest to the Honourable Member that the wooden horse of which he speaks is also one fashioned by divine wisdom that it may carry him and Diwan Bahadur Rangachariar and Mr. Jinnah into the inner heart of the citadel, not to storm, not to sack, but that they with the help of the British officials who have dragged the horse into the citadel may realise that responsible government for India which all of us aim at? I pass on....

Pandit Motilal Nehru : I hope the Honourable Member remembers that he is mixing up the metaphor very much.

The Honourable Sir Basil Blackett : That I understand is the privilege of the modern politician.

Let me pass to fact (c) :

“ That the terms of reference to the said Royal Commission and the recommendations made by it involve the perpetuation of an antiquated and anachronic system.”

I think “ anachronic ” must be a mistake for “ anachronistic ”, though I am rather tempted to read it as “ chronic.” Perpetuation—what does perpetuation mean? Maintenance in perpetuity. Is there any justification for saying that the terms of reference and the recommendations mean the maintenance in perpetuity of the existing system? I will pass by the adjectives. I remember that some one complained about 1910 to Mr. Asquith that his brilliant lieutenant Mr. Lloyd George was intolerably inaccurate. Mr. Asquith replied that though his adjectives might be picturesque, his facts, he thought, were usually correct. In this case I think neither the facts nor the adjectives are correct. Indeed there is rather an exuberantly adjectival flavour about the whole of this preamble. Obviously the terms of reference did not involve the perpetuation, nor do the recommendations involve the perpetuation of the present system. Then fact (c) goes on to say “ without any attempt to reconstruct the administrative machinery ”. Is there not a very large attempt to reconstruct the administrative machinery? Is it not proposed to provincialise many of the Services and to give an amount of Indianisation which none of the opponents of this Royal Commission at the time when it was under discussion in the House dreamed could possibly be recommended by such a body? Let me go on to the next fact, fact (d) :

“ That the terms of reference are based on the unwarranted assumption that the existing system would continue indefinitely.”

I admit that the assumption is unwarranted. It is not even in the terms of the Warrant. Moreover the recommendations again and again speak of the further examination that will have to be made by the second Statutory Commission, and it is perfectly obvious that the recommendations are not intended to continue indefinitely but are intended to be, like the rest of the present constitution of India, transitional, and that revision must obviously come about at a comparatively early period. I agree with the Honourable Sir Sivaswamy Aiyer that there is a close connection between the question of constitutional and administrative reform, but I assert with him that the Lee Report proposals do not and cannot interfere with the consideration of constitutional advance. I state categorically that the Lee proposals in the opinion of the Government of India do not in any way

interfere with that question. Let me go on to (e), that some of the recommendations are intended to deprive the Legislature even of existing powers by suggesting devices to make some items of expenditure non-votable items. For the sake of brevity I will admit that possibly it is a fact, though I think it would be argued that it is not. But I will only suggest that in the interests both of the Legislature and of the Services devices of this kind may be both desirable and necessary. Precisely similar devices have been adopted by the British Parliament to deal with what may be called equivalent conditions. The only conclusion then that I would draw from this fact is that we should consider whether some other method of arriving at the same desirable result might not be adopted. I pass on to fact (f). It is quite clearly not a fact that the recommendations have introduced racial discriminations. The discriminations which they have extended existed before. They have not been "introduced" and they are not racial. They are based on domicile. It is a defect rather than a merit of the previously existing system that the same pay and conditions of service were given to Indians as to Europeans, and that it is in the interests both of Government and the Indian tax-payer that such discriminations should be increased and not diminished.

Mr. D. V. Belvi : Has the Honourable Member read a leaflet published by Mr. Latifi, a member of the Indian Civil Service in the Punjab ?

The Honourable Sir Basil Blackett : I pass on to fact (g), that the said recommendations make the extraordinary provision that officers appointed to the All-India Services after 1919 should be given guarantees. This amounts, I think, simply to an objection to certain of the proposals made by the Commission. The very purpose of the Government in bringing forward this Resolution is to fulfil both in the letter and in the spirit their promise to give an opportunity to the Assembly to discuss the proposals of the Lee Commission before making their recommendations. If the Assembly has particular objections to these proposals, by all means let it develop them. And here, I am afraid, I must fall foul of two doughty adversaries. Both Colonel Crawford and the Honourable the Pandit object to the peccant phrases "in principle" and "approximately". Both these phrases were introduced intentionally and purposely because the Government of India, while they hold that the Lee Commission proposals taken in the broad are such that they should be adopted, do repudiate, and the Secretary of State repudiates, the doctrine that every detail of this document is sacrosanct. We are here before the Assembly to hear the Assembly's views on particular questions as well as on the general subject, though the debate has been mainly confined to the general subject and to make our recommendations to the Secretary of State in the light of what is here said. Fact (h) is also very much like fact (g). It is an objection to a particular proposal on which the Government have already said that they have not arrived at even provisional conclusions on many of the points raised. It also uses the word "perpetuate" and therefore ceases to be a fact. Fact (i) refers to the absence of the evidence. We have already heard a good deal about that and I will only, at the risk of rousing the ire of Sir Purshotamdas Thakurdas, remind him that, though the Government of India may have supplied most of the evidence that was before the Incheape Committee, none of it was published and none of it was made available to the Assembly, and in spite of that fact, although I make no complaint of it, the Assembly continues to press that we should

adopt every detail of the Inchcape Report. (*A Voice* : " They had good reasons.") The reasons were no doubt very good ones as they may be in this case. I submit therefore that in the interests of its own reputation the House should not carry this preamble. Even this Assembly cannot make things which are not facts into facts. I hope the Assembly will be wise enough to reject the amendment as a whole, but at any rate let it not state certain adjectival arguments as if they were facts.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhamadan) : Then leave the preamble and pass the rest.

The Honourable Sir Basil Blackett : I am asking that the House should not pass the preamble and I am glad to have the Honourable Member's support. I now come to the recommendations.

Mr. President : I have allowed the Honourable Member considerable latitude as he was replying to criticisms. He is now going beyond them, and I think I must ask him to bring his speech to a close.

The Honourable Sir Basil Blackett : I will therefore leave the recommendations in this first part alone. I will only say that they seem to amount to very little more than this that the control of the Secretary of State should remain in regard to existing members of the Services, and that recruitment should not be continued. I mention that because it is an important part of my argument in regard to Part II. I have already dealt with the burden on the tax-payer of India. I have submitted evidence to show that though no one likes paying additional charges those additional charges are not impossibly burdensome. I come now to the olive branch. This olive branch is hidden in so many thorns that one scratches one's fingers in trying to reach it. But if the Honourable Member who moved the amendment wanted to offer us an olive branch, why did he not adopt the simple three lines amendment standing in the name of Dr. Gour that the Report should be referred to a Select Committee ? The Honourable Pandit makes an offer to consider the matter in a Select Committee provided he can have the evidence before the Royal Commission which was taken in camera and had to be taken in camera to be obtained at all. (*A Voice* : " Or such other evidence.") Or such other—well I am glad to see he drops the demand for the evidence taken in camera. But he makes it a condition that the financial relief should not be given unless the stoppage of all recruitment outside India takes place. That is I suppose because he does not want to burden the tax-payer. Is that it ? (*Pandit Motilal Nehru* : I want to find the money before promising to pay it.") His difficulty therefore is that he does not want to find the money for the new European recruit. I have had figures worked out. If there were no European recruitment in the next five years there would be a saving of two-fifths of the following figures—two-fifths because three-fifths of the new men will be Indians :—two-fifths of 3½ lakhs in the first year, two-fifths of 7 lakhs in the second year, two-fifths of 10½ in the third, two-fifths of 14 lakhs in the 4th and two-fifths of 17½ lakhs in the fifth year, a total of two-fifths of 52½ lakhs or 21 lakhs in five years. If the Honourable Pandit therefore could be persuaded of the possibility of the Government of India and the Provincial Governments between them finding an additional 21 lakhs spread over the next five years he would, I understand, be willing to consider these proposals on their merits.

Sir Chimanlal Setalvad (Bombay : Nominated Non-Official) : Sir, I am grateful to you for giving me this opportunity of taking part in this

debate. For as one who for a period of two years and a half was a member of the Government of Bombay and as such came in close contact and association with the Services, both European and Indian, as one who has for many years advocated a rapid Indianisation of the Services, and as one who gave his evidence before the Lee Commission, I may say in public and not in camera (Hear, hear), I do not desire to give a silent vote. I am afraid, Sir, that the consideration of the question before the House, difficult as it is, is rendered still more difficult by considerable mistrust and misconception on both sides. On the one hand, it is believed that there is hostility against the British element in the Services and that we want to get rid of the British element. On the other hand, the suspicion is that it is through the Services and by the perpetuation of the present system regarding the Services that England wants not only to retain but to tighten its hold on the country. Those are the misconceptions as I conceive them to be on both sides. I may be permitted to assure the Government at once that such hostility as it is believed there exists against the Services is not racial at all. It is against the system under which the Services are maintained (Hear, hear). I can assure Government that all right-thinking persons believe that the admixture and association of the European element in the public services is not only desirable but necessary. We also believe that even when India attains full self-government such admixture and association would still be welcome indeed. But what is felt I submit and rightly felt is this, that the extent of such association of the European element and the terms and conditions on which a contented and efficient service both of Europeans and Indians can be secured should be matters for determination by the people of India at every stage through the Government of India and its Legislatures, and are not matters to be determined by some authority outside the country placed thousands of miles away. I may assure Government that it is not the desire of the people to have Indianisation of the Services merely in the sense of the substitution of the European element by the Indian. What is felt is that so long as the Services, whether manned by Europeans or Indians, are recruited and maintained under the system at present obtaining, India can be no nearer to self-government in the sense of having its own agency of government. In fact, what is desired is that the Services should be in the real sense Services as they are in other countries and not the masters and arbiters of policy. Taking this to be the real problem, what I ask is, has the Royal Commission succeeded in solving that problem? (A Voice : "No, no.") I give them every credit for the good work they have done. I do not blame them as other Members have done for arriving at a compromise. It is the one thing to do in politics, to arrive at compromises. In all human affairs you have every day to compromise and to give and take. I do not blame the Commission for what they have done. I also appreciate the difficulties in which they were placed, which account to a certain extent for the infirmities in their decision. They were hustled, they were pressed for time ; the Services were getting impatient and some decisions had to be arrived at as early as possible, and the Commission have done their best. But, taking all that into consideration, I am afraid the verdict to my mind is that they have not succeeded in solving the problem that I have enunciated. I do not propose to go into the details of the recommendations of the Commission, nor into the details that have been brought forward in this House in the debate till now. But I would indicate very shortly the main objections that I have to the conclusions of this Commission.

The first is that they still perpetuate the control of the Secretary of State with regard to the recruitment and control of the Services operating in the reserved subjects. I am quite conscious of the fact that they recommend that as soon as further Departments in the Provinces get transferred and are taken out of the reserved compartment, the Services operating in those Departments will get provincialized. But just consider, Sir, what difficulties in other directions such a proposal involves. It creates and must necessarily create, however unconscious, a bias in the Services against the transfer of reserved subjects into the hands of Ministers. It also creates various complications by reason of vested interests when the time comes from time to time for transferring more subjects to the hands of Ministers. Then, further, the Commission to my mind has failed to deal satisfactorily with one of the main grounds on which Indianisation of the Services has been advocated all these years, namely, the growing needs of public economy. They still keep the basic salaries for the Indians as well as the Europeans the same, while the demand was from every quarter of the country that the new arrangements should be such that the basic pay so far as the Indians were concerned should be less than the basic pay obtaining now. They failed therefore to solve that part of the problem. As I have said, Sir, there is no disagreement really on the main question. There is no disagreement on the question that we want a certain proportion of the British element in the Services to be maintained for the efficient administration of the country ; and I, Sir, with my experience of the Services venture to say that so far as the British element is concerned—and I am not dissociating from that the Indian members of the Services—I do say that a more loyal, a more devoted, a more hard-working, and a more honest set of public servants it would be difficult to find. We may take it, therefore, that there is no desire on the part of anyone to get rid of the British element in the Services. It may also be taken that everybody is agreed that the Services, however composed, should be efficient and contented. For that purpose every necessary step should be taken and measures adopted to give the members of the Services, both European and Indian, security of tenure and of their salaries and of their pensions. But as I have already indicated, the fear is that, inasmuch as constitutional changes are impending—they may come early or they may come late, they may come after the statutory investigation in 1929, or earlier—the position then will be very much complicated if the present recommendations of the Royal Commission are at once adopted. What I venture therefore to suggest as a solution, if it can be called a solution, is this. Stop the recruitment of the European element for the present. I say advisedly “for the present”, for the very short period of even 4 or 5 years, for the statutory investigation at the latest will come in 1929. The advantage of doing so will be that you will have the consideration of the advance of constitutional reforms considered uncomplicated by any new vested interests that might be created in the meantime or by any new complications that might be created as involved in such reforms. Nothing will be lost, to my mind, Sir, by stopping recruitment for that short period ; and when once we arrive at a stable condition as regards constitutional reforms in this country, when we all settle down to work a constitution which will appeal to the good sense of all people in this country, when we arrive at that stage in a few years, as we all hope to arrive at, then begin your recruitment again ; then there will be no difficulty. There will be some difficulty, I quite admit, in restarting recruitment—but the difficulties to my mind will not

be insuperable at all. Do that on the one hand ; on the other hand, I quite admit that the grievances of the Services with regard to their salaries and other matters which the Lee Commission have dealt with have great substance in them. They have waited considerably, and no doubt relief is due to them. And here, again, Sir, I may say from my experience of the Services in Bombay and from such inquiries as I have been able to make and did make when I was in office, that I am convinced that they do require relief. Therefore, why not grant the relief that the Lee Commission has recommended to be given to them, as any further investigation by further Committees or any other bodies would mean further and unnecessary delay ? Therefore, I do appeal to all Members of this House, why cannot they find a solution in the way I have indicated ? Why should not Government agree on their part to stop European recruitment for, say, a period of 5 years, till we settle down to the new advance in constitutional reforms, so that all suspicion about the aims of Government, about the effects of the Lee Commission's conclusions, may be dissipated, so that the new reforms, the new changes, may be inaugurated uncomplicated by any new vested interests. In the meantime the Services may immediately get the relief, which, I believe, they are entitled to.

Diwan Bahadur T. Rangachariar : You do not mean the classification ?

Sir Chimanlal Setalvad : What classification ?

Diwan Bahadur T. Rangachariar : All-India Services or Provincial.

Sir Chimanlal Setalvad : All that can wait to be determined after the new advance has been made except the transfer of the control of the Services in the transferred Departments to the Provinces about which there is no difference of opinion. The immediate question is the relief, the pecuniary relief, to be given to the Services. Give that to them by all means at once, but stop putting into execution the other recommendations of the Commission except those on which there is no difference of opinion till the question of constitutional reforms has been considered. I do appeal to Government and to all Members of the House with all the emphasis that I can command and ask them, is it not possible even now to arrive at some such solution as I have ventured to suggest ?

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Sir, in the first instance, I wish to express my appreciation of the method, manner and the tone of the Honourable the Home Member who moved this Resolution. He has tried to put his case before the House as fairly as could be expected from him representing the Government of India, although I noticed that in what he has said there underlies a very important principle which he has asserted and which gives us an indication of an iron hand under the velvet glove. Sir, there is one other matter to which I wish to refer before I come to the merits of this Resolution. I am also very glad that he thought it proper to emphasise the question which has been exercising the feelings of the Muhammadans, namely, that their position in the Indianisation of the Services must be fairly recognised. Speaking on behalf of my Colleagues here who would agree with me, the Muhammadans do not desire anything else but their just and fair share and their proper rights, and I feel confident also that there is no Hindu Member in this House who would for a single moment grudge to the

Mussulmans their just and fair rights ; and I am glad that the Home Member has also recognised that in his speech.

Having said this much, Sir, I will now deal with this Lee Commission Report. Sir, it is one of the most important and one of the most vital questions affecting India. The gravity or the importance of it cannot be exaggerated. The question that we are discussing to-day involves two very great principles, and they are so interwoven that you cannot separate them. They are first, the further constitutional advance, and secondly, the administrative reform of the Superior Services. Sir, this House and I think everybody must recognize that this therefore is a paramount question, a question of the very first importance. Now I think it was Sir Basil Blackett who aspired to be a modern politician, and although Sir Charles Innes confessed his inability to indulge in dialectics he did so indulge, and they took the preamble of the amendment of Pandit Motilal Nehru and objected to the adjectives. I am quite willing, Sir, that we should cross the 't's' and dot the 'i's' but I want to ask a straight question and I want this House to understand the real meaning of that preamble. First of all I think it must be admitted in all fairness that this House has got a grievance. If it had any self-respect for itself it could not possibly allow this opportunity to pass without expressing its protest at the manner in which this Royal Commission was appointed. This House was sitting in session in the cold weather of 1923, when the Secretary of State without consulting it, without giving it an opportunity to discuss the matter, appointed a Royal Commission. Sir Charles Innes says "Oh, but this Commission has been appointed by the King-Emperor". And therefore what ? Therefore why discuss it at all ? Surely an experienced officer like Sir Charles Innes ought not to have used that argument at all. Sir, this Royal Commission was appointed by the British Government and this Legislature has every right to deal with the recommendations of the Commission.

Now, I ask the next question. After the appointment of the Royal Commission was announced Sir Basil Blackett, who as usual can always find money when he likes, brought in this item and came to this Assembly with a demand for the grant for the expenses of the Royal Commission. The House perfectly rightly, as a protest, rejected the grant. Now, Sir, is that not a grievance and is this House not entitled to say that this ought not to have been done ? The next point is, this Royal Commission was appointed and I know and this House knows, having read the recommendations of the Commission, that they felt embarrassed to this extent which I shall point out in a moment, that there was this question of future constitutional advancement under consideration and there was, as we all know, an insistent demand for it in the country for the last three years. But this Royal Commission was appointed to do what ? To do this—sub-paragraph 3 of paragraph 1 says :

"The recruitment of Europeans and Indians respectively for which provision should be made under the constitution established by the Government of India Act and the best methods of assuring and maintaining such recruitment."

So the Royal Commission had to assume that any recommendations that they might make could only be on the assumption that the Government of India Act of 1919 could not be touched except in the manner provided therein. But it seems there was a great deal of discussion amongst the members of the Commission. There was a difference of opinion, and this is what they say at page 7 :

"We are agreed that in the present conditions, the appointment and control over these Services must continue to vest in the Secretary of State. Some of our members think that the conclusion follows inevitably from the principles implicit in the Government of India Act. Others of our members are not prepared to accept this view and hold that such a transfer is contemplated by the provisions of the Act. In spite, however, of our inability to agree on the constitutional position, we are agreed that the Secretary of State should for the present retain his powers of appointment and control of the All-India Services."

Sir, the House will therefore see that the Lee Commission take it for granted that the question of control and recruitment must vest in the Secretary of State for India. In one place they say :

"It is possible that some difficulties may arise in the future development of self-government for India if some provision was not made in view of our recommendations."

And what provision do they make ? The provision they make is this, that if any member of the Superior Services is transferred to service under the transferred subjects, he would be entitled to retire on a proportionate pension. Well, therefore, I think it is quite clear that the Lee Commission was tied down to make this recommendation on the assumption that the Government of India Act cannot be altered. Now I ask this House, and I ask you on the opposite side fairly to tell us if you are going to carry out this recommendation of the Lee Commission with regard to the control and the recruitment, will that or will that not be an enormous obstacle to any serious changes in the Government of India Act or in the advance of the constitution ? Can it be said that it will not be an obstacle ? Now I am right to that extent that it is essential for you to reform the Services, their organization and their composition, and that is at the root of any further constitutional advance. Only last February we passed a Resolution by a great majority in this House that we want further constitutional advance ; you yourself have thought it fit to appoint a Reforms Inquiry Committee, and the Reforms Inquiry Committee is going on with its work : and you come to us now at this moment and ask us to accept the recommendations of the Lee Commission ? What are the implications of the recommendations of the Lee Commission ? They are these : the control and recruitment of the Services are to vest in the Secretary of State for India. I am taking it roughly, and I am dealing particularly, mainly, with the two pivotal services, the Civil Service and the Police ; and in those two Services in the course of 15 years and 25 years we reach the percentage of 50 and 50. That means that at the end of 15 or 25 years we shall have 50 per cent. Indians and 50 per cent. Englishmen. Now, Sir, when we have that, supposing we have to make constitutional changes, do you expect us to give our consent to that ? But, says Sir Sivaswamy Aiyer, that is not the only ground. His ground is that if you want really to Indianise these Services, you must stop the recruitment altogether, and he says that you have already got a sufficient element of the English in these two Services, and even if you stop further recruitment, you will take a considerable time before you get that percentage of 50 and 50. I entirely agree with him. Out of the total number of roughly 1,400 members of the Civil Service, how many Indians have we got to-day ? The number is 164. Well, even if we have got to get that 50 per cent. of that 1,400, how long will it take, how many years will it take, even if you stop recruitment completely ? Now, Sir, I ask the House, if you think and if you really honestly wish to consider this question fairly and if you agree to this proposition that this system of service is out of date, that this system of service cannot continue in view of the fact that you are

assimilating India more and more towards democratic and responsible government, then this system of service must be reformed without further delay ; otherwise it is going to be a formidable obstacle both in your way and in our way. If you are convinced of that, are you not convinced of this that to-day the British element in the Civil Service, as I pointed out, is something like 1,200 and odd against 164 Indians ? Are you afraid that there will be a revolution if you stop further recruitment ? Are you afraid that law and order will suffer if you stop further recruitment ? What are you afraid of ? I can only come to one conclusion, Sir, and that is that you want to delay it, you want to put off the evil day, and you want us to give our consent to the recommendations of the Lee Commission, which will make our position impossible when we come to discuss the greater and far more important question of constitutional reforms. Sir, on that ground I cannot give my consent and I do urge that further recruitment under the present system should be stopped, that the control of the Secretary of State for India must be taken away and it should be vested in the Government, and that we should have a Public Services Commission for the purpose of future recruitment. Then, I shall be told—I cannot understand why—that the Civil Service and the other Services seem to think that if the Government of India have the control, they will be in a mortal grip and that they will be in danger. But surely that is not really a very nice reflection on the Government. But I can understand my friends there will say “ it is not the Government of India that we are afraid of, but it is you fellows here in this Assembly that we are afraid of.” But I say, Sir,—and I can say it with implicit confidence—that there is no man on our side who would make the slightest attempt to break any promise that has already been made to the existing or the present incumbents ; and I venture to say, Sir, that whatever may be our faults, if we had to decide and if the responsibility was placed on us, I feel confident that we should decide in the fairest and justest manner towards our own Services. Sir, I entirely subscribe to the proposition that no Government can possibly be unfair or unjust to its Services. On the contrary, I maintain that it is the obligation, legal and moral, of every Government to see that the just grievances of the Services are redressed. Therefore, as far as this question of recruitment is concerned, I submit to this House—and I do not merely wish to make a statement but I want to reason with this House—what is the objection which has been urged up to the present moment by the Government to stopping this recruitment ? There is only one objection. As far as I have been able to gather from the debate, that objection came from the Honourable the Home Member and that, Sir, I call the iron hand under a velvet glove. He said—and I think I am quoting him rightly, if I am wrong he will correct me—that so long as the Empire is in charge of the defence of this country, so long must we have a definite element of British in the Civil Services. What does that mean ? May I know how long the Empire is going to be in charge of the defence of this country and when will the Empire be able to say to India—“ Now you can take over the defence ” ? Till then, this bureaucratic system of Government is to continue. Till then, there can be no advance towards self-government. Sir, if that is the intention of the Government on the other side, then I say that the whole thing is a camouflage. Things come to an end there and we can never agree. If your intentions are that you want an administrative reform and that you want to maintain the traditional characteristics of the service—not British, not white and dark—so that you may soon get the traditional characteristics of the service and on that footing you go

on freely to recruit from amongst the people of India, then I can understand it. I ask, Sir, what have we got in Mysore? How many British are there in the Mysore Civil Service? How many British are there in the Mysore Police Service? And are those districts not well managed? I can tell the Honourable the Home Member that there is not one Englishman in the Mysore Civil Service. Perhaps there may be one in the Police. Is not the State of Mysore well-managed? Are not the people there happy?

The next point which I want to deal with is this. As was pointed out the other day, the position of this Assembly really is this. If the Secretary of State is really all-powerful and we are asked merely to have this debate, then I would be inclined to agree with the feeling of those Members who do not see the use of having this debate. But, Sir, I am very glad to note that the Secretary of State for India, speaking, I believe, with the authority of His Majesty's Government, in the House of Lords said this:

"The Secretary of State for India in Council, who is, as the noble Lord has pointed out, the final arbiter responsible to Parliament in regard to practically the whole field covered by the Report, must necessarily subject the Report to a thorough examination on points both of principle and detail. The mere fact that he stated that he accepts the view that the Report must be treated as a whole cannot of course in any way absolve him from the duty of examining the Report in all its bearings or commit him in advance to the acceptance of each and every recommendation just as it stands. He must also use the occasion to determine which of the recommendations and their relation to the Report as a whole will from their nature require priority of treatment."

Therefore the Secretary of State for India has reserved to himself the right to examine in principle and details the Lee Commission recommendations. That is the one bright feature which enables me to stand up here still full of hope, that there is a chance, although the Government of India have burned their boats by bringing this Resolution forward. Now, Sir, if the Secretary of State for India says, he is not going to commit himself to these recommendations in principle or details, what are we to do? Are we to examine this in principle or details or not? Are we to give our intelligent opinion or not? There is the Honourable the Home Member, who says there is such a thing as *factum valet*; the Commission was appointed; it was composed of.....

The Honourable Sir Alexander Muddiman (Home Member): The Honourable Member will excuse me: I never suggested *factum valet* in regard to the recommendations of the Commission.

Mr. M. A. Jinnah: No, the Honourable Member said this: there was a Commission composed of eminent Indians and eminent Englishmen; they have looked into everything; they have given every consideration, and now surely you must really depend on their judgment, and so on....

Mr. President: I must ask the Honourable Member to bring his remarks to a close.

Mr. M. A. Jinnah: Sir, I am not going to be very long; I will only say this. The Honourable the Home Member really does us a very great injustice when he asks us to dispose of this Report in this way. No evidence is placed before us, no materials even on which the Government of India came to their decision is support of this Resolution are placed before us, and further, when we press the Government, what do we get? We get Sir

Basil Blackett getting up at the fag end of the debate and bombarding us with his usual figures (Laughter). Well, Sir, I do not aspire to be a modern financier and I do not think I shall ever be a financier, and for myself I should like to have a little more time before I understand them. Therefore it is impossible for this House to accept the recommendations of the Lee Commission on these grounds. What have we got? We have got a number of recommendations as to the increase of emoluments, and I have only this much to say: we are prepared—do not treat this last paragraph of our amendment lightly,—we are prepared honestly, earnestly, sincerely to redress the just and urgent grievances of the Services; we are prepared to do that. What do we ask you to do? We ask you to do only this: let us have a Committee straight away, only with regard to this, namely, to determine what should be paid for relief to the Services. We are asking you to give us a Committee straight away. We are willing to sit; place such materials as you can before us; do not take shelter under the excuse that the evidence before the Lee Commission was given in camera and is confidential. Place such materials as you can before us; give us a Committee of both officials and non-officials and let us sit together. We are willing to go to the Committee straight away and I assure you, and I speak not only for myself but for my Colleagues and for my party, that we have every desire to meet the just and urgent grievances of the Services. That is the olive branch,—you say it is the olive branch—that we offer you, and it was rejected *ex cathedra* by Sir Charles Innes, speaking on behalf of the Government, with thanks, of course I know that! Sir, if this is how you are going to treat the opinion of this House, of this side of the House, we say stop recruitment. We say we are willing to meet the just grievances of the Services.

There is only one word I would like to say, Sir, with regard to the Medical Service. I say, Sir, that the Honourable Member in charge of that Department spoke at great length and I really am surprised how he has come to give his consent—not only given his consent but that he should have shown so much enthusiasm at the great advancement that was made in that recommendation. What is the advancement? The Honourable Member should have been the last, having had the experience he has had—and I know when he used to sit on this side of the House it was very difficult to convince him on these subjects,—to accept it. What has he done? He has done this. He has accepted a principle which to my mind, with the utmost respect to my English friends, is a most vicious principle, namely, that Europeans should have a European medical officer to attend to them. It is a vicious principle; it is an intolerable principle. You yourselves tell us “Let there be no racial distinctions;” (*Diwan Bahadur T. Rangachariar*: “No caste distinctions.”) “Let there be no racial hatreds”; and you solemnly and seriously as the Government of India come here and say “Europeans must have European medical attendants”. No matter how qualified an Indian may be, you will not have him. Yesterday Colonel Crawford said he was treated by Indians and I see that he is looking quite healthy. I ask the Honourable Sir Narasimha Sarma how he came to be a party to that principle. And what is more, he said “But you see there is no real racial distinction at all; you are mistaken!” If this is not racial distinction, I do not know what is.

One more thing about the Civil Medical Service. The Honourable Member says there is a great advantage in this. It is perfectly true we have to absorb the Army Reserve into the Civil Medical Service; but you must not forget that the Civil Medical Service will then be under the control of

the Provincial Government. Is that correct? Did I understand him correctly? But does the Honourable Member know the implications of that—that you have at least one portion of your Civil Medical Service, namely, the reserves that you will absorb, not under your control but under the control of the Secretary of State for India. Does he want this hybrid system to be perpetuated? Is that reform a desirable thing? On the contrary, Sir, I should have thought the view of the Honourable Member when he used to sit on this side, if I remember rightly, was that there should be a Civil Medical Service liable to be called up at any time of emergency or war.

I can only say this in conclusion, you have no choice; the Government say “Accept all the recommendations”. We say “No; recruitment must stop at once; and further we are willing to meet the just grievances of the Services; give us a proper opportunity and we will do it. If you do not, we cannot exercise our intelligent judgment, and therefore we will not accept the recommendations of the Lee Commission.”

One more word. I think I understood Colonel Crawford to say that this House would earn the reputation of being an uncivilised House if it did not accept the recommendations of the Lee Commission. On the contrary I say not only will this House earn the reputation of being uncivilised if it blindly, without proper material, accepts the recommendations of the Lee Commission, but it will certainly be worse than an uncivilised House. One more thing I say to Colonel Crawford and that is this. He talked a great deal of acumen and I think the Honourable Member in charge of Education talked of the larger point. I do not know what implication the word “acumen” has or the words “the larger point” have; but, Sir, does it mean this that we are expected to vote blindly for some favours to come hereafter? And what are those favours? Neither has Colonel Crawford nor has the Honourable Member in charge of Education favoured us with any indication of the favours that will follow if we vote blindly now.

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : Sir, I shall not attempt to follow my friend, Mr. Jinnah, into the legal arguments which he has raised; because in the first place I have no interest in legal matters whatever and in the second place I would not be competent to deal with them, even if I had. I prefer first to press my own claims and demands on the Home Member and I will join issue sooner or later—perhaps sooner, I think—with Mr. Jinnah and those who think with him that we cannot consider the Lee Report in regard to the pay of the Services until there has been settled the questions of constitutional advance and pay of the subordinate services. To my mind—non-legal mind, I am glad to say—those matters seem entirely outside the scope of the matter we are dealing with here, which is the “Report of the Royal Commission on the Superior Services in India.” I think that my learned friend Mr. Shanmukham Chetty and others are entirely wrong in dragging across the trail the question of the subordinate services. Were it not so, I should like to make some remarks upon the question of the old uncovenanted services not dealt with in this Report. But as I consider that I should be out of order in so doing, I merely record the point that we are not satisfied, that nothing has been done for them and we hope their case will be considered at another proper time upon its own merits.

Sir, no one expected that the Lee Commission Report could be swallowed wholesale like a prairie oyster. A report of this magnitude must of course provoke a good deal of discussion and a good deal of differences of opinion and I for my part—non-legal mind, again,—am devoutly thankful that we are not having the evidence of the 411 witnesses before us. Were it so, we should require thirty days for debate instead of three. For my part I am content to accept—not that I agree with it all—but to accept as a fair finding on that evidence, the Report which has been put up by the Lee Commission. I am sorry, I am very sorry, that it has been said in this House and implied as well as said outside that Indians have not trusted the Indian representatives on that Commission. Now, with that I directly join issue. One, a member of this House, Mr. Samarth, is a man for whom I personally have the very highest respect (Hear, hear) and who has influenced my own point of view and my decisions on previous occasions; I refuse for one minute to believe that that man was ever unfairly talked out of any view that was his except upon conviction. I think Sir Purshotamdas Thakurdas was wrong in attempting to make a point that the British conceded minor points and the Indians conceded the maximum. I think also it is a pity that amateur statisticians have produced a lot of figures to further cloud the issue, whereas Sir Basil Blackett, our figure authority, has capably handled those statistics in reply. I shall make no reference to figures at all. It is a pity that a great many leaders refuse to recognise that there are conditions of hardship at all, but I say that no amount of argument can override the fact outstanding in that Report, that there are conditions of real hardship and trouble. There are two reasons for this refusal, partly because Indian politicians are very averse to any increase of expenditure and partly because their political creed is against it. But, Sir, parsimony does not pay. It pays to have efficiency: efficiency is economy. The Report shows, as I have said, that debts undoubtedly exist. It shows further that insurance policies, originally, generally taken out as provisions for widows, have been pledged and that is a very sad state of affairs. The Report further brings out—juggle with figures how you like—that the increased cost of living is 60 per cent. and surely we might accept the finding of the Lee Commission on those figures. They at least had before them, I presume, all the evidence which is open to Members such as myself. I say, Sir, that the relief recommended by this Report is the minimum compatible with the increased cost of living. It is a compromise. The whole Report is a compromise, which has been well recognised in this House. The recommendations of the Report are so interdependent, that we cannot and ought not to attempt to separate them and on behalf of my constituents I say we are prepared to recommend them as a whole. I shall return to that matter a little later on. Now, Sir, I go further and I say—I am just as much entitled to criticise the Report as anybody else—I say the Report goes too far in some ways. It goes farther in the matter of Indianisation than a great many of us believe to be safe or desirable in such a hurry. On the other hand, I say that it is an injustice and a great hardship upon many members of the Services, the Police, Post Office, etc., who get no increase of pay whatever if they have reached the stage of Rs. 2,150. I am told—and I believe it—that these recommendations will not encourage recruitment. Sir, why should they? Why should these recommendations encourage recruitment? How do they compare with what commercial firms pay their staff? Sir

Purshotamdas Thakurdas gave some figures this morning, but he might have told you that he himself or rather the Company of which he is a Director, was very glad to take out of the Indian Civil Service two distinguished members of it and pay them a very considerably increased pay to join the Tata Steel Works. Even passages have been somewhat resented by Members. Well, what are the passages? I believe the maximum is 4. In my 25 years' service in commerce—thank goodness it was not under the Government of India—I have had no less than 8 passages. These passages were not given to me out of love or because I was a relation of the firm or because they wished to be generous to me—they gave them to me because it paid them, because my energies were refreshed by a holiday, which was much overdue usually, and it kept me in health. I jotted down the other day, just so that Members of the House may have some means of comparing what mercantile firms give as compared with Government, a few little details as regards concessions such as passages, etc., and I find my late firm pay a passage to join the service, a passage if one broke down in health, a passage at the end of one's service, or funeral expenses if you died and could not go home. During the service they pay doctors' bills, tiffin is provided in office, and on transfer costs of removal, and including sometimes loss due to the selling of furniture is paid, and subscription to the Clubs, which are necessary. I was also paid the fare of my horse. Members of commercial firms are not put to the expense of Government servants in respect of uniforms, books and subscriptions because the firms pay the latter handsomely to save their younger men from having to contribute also. Occasional bonuses are given and advances are allowed free when people are hard up, as they usually are. What happens in Government service? Why even before the Lee Report is put in force or debated at all the Finance Department introduce a new rule charging 5 per cent. on the advances. In fact there is a new debit before you get the benefit of the advances contemplated under the new reforms! The firm also gives a motor allowance in many cases and in others many assistants get taken to or from office in office cars. The firm pays for all our postage stamps, our stationery, and there are no departmental restrictions on any investments you may choose to make. Up-country we frequently give house-allowances or provide houses which include as often as not electric fans, lights, fuel, etc., and we often paid for or supplied ice.

Mr. M. A. Jinnah : Do commercial firms give any pension?

Mr. W. S. J. Willson : Some do, Sir. Mine did not.

Mr. M. A. Jinnah : Yours do not. No wonder you are liberal.

Mr. W. S. J. Willson : Now, Sir, I think I have made the point that there is no attraction towards recruitments.

Turning to the Lee Report I find this remark with which I entirely agree :

“ We are confident that India still needs the services of broad-minded Englishmen and will long continue to need them.”

Now, Sir, high tributes have been paid to the Indian Civil Service but time will not permit me to do more than associate myself with them without further repetition.

Sir Purshotamdas Thakurdas : I am sorry to interrupt the Honourable Member. Before he leaves the point altogether he might tell us if

his firm grants proportionate pensions in case their staff wish to leave the firm because of their not agreeing with the seniors ? He might complete the whole question.

Mr. W. S. J. Willson : If the maximum pay of appointment that a man had been able to rise to were only the Rs. 3,000 or 3,500 as contemplated by some Members of the House he might perhaps have expected either pension or....

Sir Purshotamdas Thakurdas : Proportionate pension in case of leaving.

Mr. W. S. J. Willson : He might perhaps have expected a gratuity or pension, but when he is paid a figure running into six figures per annum he could scarcely expect to be paid any pension, proportionate or otherwise.

Sir, the attitude of this Assembly over this vitally important question might, I agree with Col. Crawford, be regarded at home as some contribution, some test, of what views India takes about its servants, and as a test, some sort of test, of its capability to advance in self-government. Points which have not been made I think are why do we want Europeans in Government service in India ? Well, I want them for at least two reasons, one of which has been dealt with by Colonel Crawford, and I have no time to repeat it. But the point I wish to make is this, that you have here now a system of Western Government. It has not arisen out of any Indian traditions, it has not been evolved out of any of your customs or anything else. It has been imported *en bloc* from England, from the mother of Parliaments, and it is so popular with you, so popular with this Assembly, that you desire now to grab the whole system and you are not content with the piece you have. I do not say that you should not have more, you will get a great deal more by and by, but as it is not inherent in your blood as it is in ours, I say that you require a stiffening of Europeans for that very purpose and for the development of this Assembly.

Mr. M. A. Jinnah : On what terms ?

Mr. W. S. J. Willson : Sir, under these new conditions, in the Parliament of which I speak you will have to recruit more men. They will come out not under the traditions of the old Indian Civil Service,—they will come out not as bureaucrats—a word I hate, a system I dislike,—but they will come out under entirely altered conditions. In the transitional stages of this Parliament and Government their work will be increasingly difficult and different from what it was, but the difficulties of the transitional stage will disappear to a very large extent if you make them happy and contented in their work. It is important, it is necessary for India to develop. I see in this Assembly possibly Members who may some day occupy Government benches, and it is to their interests that they should themselves have a highly qualified British strengthening in their staff. (*A Voice :* “ Why British ? ”) I must also remind the House that a great deal of the success which the reforms have so far met with has been due very largely to the Indian Civil Service, and secondly, to the non-official European community a portion of which I represent. But in that development India must build up a sense of that loyalty to its permanent staff which is such a characteristic of British public life. Progress in this country is only possible by the development of commerce and industries.

It is from commerce and industries that the bulk of your revenues come. It is out of larger revenues that you can further develop the country. Your trade cannot be maintained unless the foreign nations with which you deal and to whom you send your surplus goods have confidence in a stable form of government here under which the contracts that they make with India are sure to be fulfilled. Sir, on behalf of my constituents, they who pay, say collect if you prefer it, the highest proportion of the taxes in this country; we claim that we have a right to a stable and efficient Government. We are convinced that we shall not have that, nor the service that we have a right to demand, if the Government in any way deviate and attempt to concede less than is outlined in this Lee Report. We hold the British Government to its pledges under the Government of India Act. (*A Voice* : "What are the pledges?") I want to warn Government further that that Report, which though I have criticised it I say we accept as a whole, must be accepted as a whole, and as Colonel Crawford said, the least signs of weakening will cause Government the loss of some non-official European support. I wish to warn the Home Member further that we demand that the Report be accepted as a whole. I give that warning with all the weight behind me, which is that of the whole of the Associated Chambers of Commerce of India, who occupy in this House but one single seat, and whose humble representative I am. But the weight behind me is very great. I represent in my own humble person, if not all, certainly the bulk—a very great portion—of the British capital invested in India. I represent, further, crores and crores of Indian capital invested in commerce and industry. I say we have a right to that stable and efficient Government. Now, Sir Purshotamdas Thakurdas also represents to a large extent commerce but the difference between him and me is this, that he is a politician which I am not and has represented the case from a political point of view, whereas I have confined myself entirely to the commercial point of view.....

Sir Purshotamdas Thakurdas : You take something for granted which you never heard.

Mr. W. S. J. Willson : I would like to refer to what Sir Narasimha Sarma said with reference to the Medical Service. I have never been heard in this House, or outside in the Lobbies, to mention a single racial question and if this were a racial question I should not be doing it but I am going to put it to you that it is not. I am going to put myself in the same position as a very distinguished "England-returned" Member of this House who said that he would like to be treated by a Brahmin doctor....

Diwan Bahadur T. Rangachariar : I was not in earnest when I said that.

Mr. W. S. J. Willson : I do not care whether I am treated by an English Protestant, Catholic, Muhammadan or Jew, but when I am ill I do wish to be attended by a Briton. I do not wish to be attended medically by an excitable Frenchman, a cold-blooded German nor a dilettante Italian. I claim to be treated by an Englishman and that that is not a racial feeling. I put it on the same ground as Diwan Bahadur Rangachariar put it yesterday, even if it is a question of race it is certainly not of colour, for I admit myself that I have a strong

predilection for massage by a Japanese. We want to claim from Government an assurance that our European hospitals shall remain under European control and supervision. We want correlation in the I. M. S. to the Europeans in the Services. We think the Indian medical staff should be on an All-India basis, and anyhow that the control and initiative of medical training should continue to be in the hands of a European trained staff, with a strong element of British personnel. The offices of public health in the larger cities and in the more highly industrial areas ought to be held by men who have been trained in Europe and who preferably have held appointments as Health Officers in the United Kingdom. I claim, Sir, that all these are reasonable matters, non-racial but perfectly natural prejudices.

With these remarks, Sir, I have only to add that we also press for the immediate establishment of the Public Services Commission and we hope that the same Commission may deal with the Provincial Services.

I am afraid, Sir, I have rather exceeded my time.

Dr. S. K. Datta (Nominated : Indian Christians) : Sir, there have been Members who have spoken on behalf of Government during this debate and who have expressed their surprise that the proposals which have been made by the Lee Commission were not accepted with the joy with which they ought to have been received, but India has had the sad experience of the past in accepting any proposals which were made or supposed to be made for her benefit. There will be some Members in this House who will recollect the Charter Act of 1833 whereby all disqualifications on the ground of race were abolished. Immediately after the passing of that Act, that great Indian, the founder of modern India, Raja Ram Mohan Roy, visited England and he took with him his son, a son who had been brought up by his father to look upon India in a new and modern way. His British friends in the Court of Directors promised their support in the matter of obtaining for him a cadetship under the East India Company. The moment those proposals were put before the Court of Directors in spite, shall I say in spite of the enactment passed the year previously, this young man's candidature was disallowed. Yes, not infrequently the reality has been far below that which was promised, and thus we go through the years of British Indian history, and it is one record—and I am not talking in political language, but I have had the opportunity of studying the diaries and records of many Indian lives,—a record of blasted hopes throughout this 19th century. And can you wonder that we are justified in our suspicions when we look upon proposals that are brought forward here to-day ? As I said previously, I am not much interested in political considerations : my whole life has been given more or less to education. In education and its problems I have been chiefly interested. Now for the past 22 years I have been more or less familiar with the conditions of Indian students in the United Kingdom, beginning with my own career in college, and later by visits and contracts with these students of ours in the United Kingdom. You know one of the great concerns of the Government of India, especially about the year 1906, was the propaganda that was being carried on amongst Indian students in England (what is termed anarchical propaganda). Now I have examined the phenomena of what you may call Indian agitation, unrest shall I say, among Indian students in the United Kingdom. Three years ago, with my Colleague in this House, Mr. Ramachandra Rao, I was a member of the Committee

presided over by the Earl of Lytton, to report on the condition of Indian students. I discovered that there was unrest. Government talked about agitation and agitators as being the cause, but that was not the reason at all. The reason was that these young men, on the promise of Government that if they went to England and qualified themselves, certain positions would be thrown open to them in India, acted on that assurance. Many Indian students in England have had the experience of racial considerations entering in when they applied for admission to the Services; some of the most brilliant of them, for instance, have sat on the same benches with others who, just because they were British, were chosen for service in India, when these young men themselves were denied that opportunity. Can we wonder that there was unrest? It was not the agitator at all, it was simply blasted hopes, and this has continued for the last 25 or 30 years in the United Kingdom, and I have been a witness of it. Well, Sir, what are we striving for? We are striving for control here in India itself because, unless and until that control comes, many of our young men with the tremendous promise of their lives, will never receive their opportunity. We have been told time and again that there is not enough talent in India. I have been a teacher for many years. There is talent in India, but that talent is allowed to waste for lack of opportunity,—opportunity of education and opportunity of expression. That is what is wrong with India.

Well, Sir, I have expressed myself on this matter. There is another matter to which I feel I must refer and it is the question of the education and the training of the Services.

Here are the problems of India. Who could be more familiar with those problems—we who sit in this House or the Secretary of State who is thousands of miles away? After all we are more familiar with them and it is for us to set down the standard that will be required. Early in 1922 there was an agitation in the British Press in England with regard to the attrition—if you like to use that phrase—from which British recruitment for the Indian Civil Service is suffering. A letter appeared in the *Times* signed by that very remarkable man,—Warden of New College, Oxford. The whole argument (as far as I was able to interpret it) of this man who retired a short time later was that India existed for the Indian Civil Service and the Indian Civil Service existed for the University of Oxford. Yes. A First Class in Greats was a qualification for the Indian Civil Service—I do not say it was a bad qualification; but I do say that our Services have to be treated in the light of the needs of India, and we shall never get that until we have the control of the Services and are responsible for their recruitment. Until then we can never do it.

Now let me turn to another matter with regard to the profession to which I have the honour to belong. There is another Member of this House besides myself—my friend Dr. Kishen Lal Nehru—we the two Indian Members of this House who have their names, and are honoured by having their names, on the British Medical Register. Now when our names were placed on the British Medical Register, we took the vows (whether by word or implied) as far as we were concerned, the distinctions of race, the distinctions between poor or rich did not exist—all suffering mankind was one to us. That was the idea placed before us; and to-day in our own country we are told there are certain types of people to whom we may not minister. In spite of what has been said

to-day I feel sure that my Colleague and myself—at least as far as we are concerned—will never allow ourselves to be fettered by any such considerations. May I say one word? If, shall I say, India does not suit certain people, if our arrangements do not suit certain people, do not come to India. If I do not like a country why should I go there? If our susceptibilities are outraged anywhere, why should we go there? These then are some of the matters with regard to the medical profession. I do not wish to labour that particular point, but there is another and that is with regard to the question of medical education in this country, and I have had experience of it both in India and in the United Kingdom. Mr. President, there is a name not wholly unfamiliar to you—that of the great medical teacher at the University of Edinburgh—Dr. Hugh Freeland Barbour, who during all the thirty years that he has worked in that University has given his attention to the needs of Indian students. He visited India last year and his progress through the country was a triumphal progress, because of his devotion to the highest interests of Indian students at the University of Edinburgh. Probably there is no man living to-day who knows more about the medical education of Indians in the United Kingdom than Dr. Hugh Freeland Barbour. Three years ago giving evidence before the Lytton Committee he told us in words to this effect :

“When I began my work in the University we had a very large number of Canadians but as the years went on these Canadians disappeared; they did not come any longer.”

May I inquire why? Because they had established a Medical Faculty at the University of Toronto—a Medical Faculty which to-day ranks among the first Medical Faculties in the world. He said that

Canada had created her own race of medical teachers and he went on to add that as long as Indian medical education was tied up to a service so long would it be defective; and that was the evidence that we received in the University of Edinburgh and throughout the Midland Universities and in the colleges in London; and I quite believe it. I have had experience of some medical teaching in one of our Indian Universities and I know how very inferior it can be; it is not the outcome of specialised knowledge; it is not the result of investigation and research, and that is where the grave defect of Indian medical education lies.

Well, Sir, my friend, Pandit Motilal Nehru, has moved an amendment. I am not enamoured of that amendment. I quite agree with Sir Basil Blackett that the opening paragraphs take things for granted, that there is possibly too much assumption there. As a matter of fact I never like long preambles; I do not understand what they mean; and therefore I find myself in this difficulty. In the first place the Government on the one hand propose a Resolution which I cannot accept. On the other hand, Pandit Motilal Nehru presents us with an amendment which, just because he accepts the fundamental principle of control in India, I feel I must accept.

Well, Sir, what about the Services? I do feel that the cry for increased salaries, increased allowances is well-founded. I am not speaking without authority; I have had a great deal to do with Europeans of one kind and another in India and I know from personal experience that the amount paid to some Indian Service officers who live with their families is inadequate; I have studied their family

budgets and I have looked at certain other family budgets ; and in comparing them I feel that the Services have a real grievance with regard to salary and allowances and justice ought to be done to them ; but I am not a financier and authority on the subject. I am concerned mainly with the question of control. That is fundamental to my mind, and I feel that control ought to be here. My friend, Colonel Crawford, whom I shall take the liberty of congratulating on his speech, made an honest speech ; it was a speech straight from the shoulder ; it was a soldier's speech. He exulted in the superiority of his race. He told us about the great qualities of Englishmen and I believe him absolutely ; but it seemed to me that he never got over the idea that the Indian at his best was a magnificent locomotive and that he was the driver and he was right. As a matter of fact it is a magnificent machine that he has controlled ; he puts in the oil, there is water and the furnace is well fed ; he pulls the lever and it is set going. It is a magnificent machine he has in his possession. Yes, British leadership of Indians is a very large asset and a good thing too, but I do say that he forgets that there is something else, that after all no man is purely a brute or purely a machine. There is some thing of the divine and the eternal which is greater than that machine and so often it is forgotten that in the meanest cooly in this country there is that spark of the divine.

Well, Sir, I shall bring my remarks to a close but, after I heard Colonel Crawford's speech yesterday afternoon I went and took down a book of English verse and I saw this in it and I wondered whether he had read it. Here the poet's fancy depicts—shall I say an Indian Civil Servant arriving in Florence :

“ Say who be these light-bearded, sunburnt faces
In negligent and travel-stained array,
That in the city of Dante come to-day
Haughtily visiting her holy places ?
O ! these be noble men that hide their graces,
True England's blood, her ancient glory's stay,
By tales diverted on their way
Home from the rule of Oriental races.
Life-trifling lions these, of gentle eyes
And motion delicate, but swift to die
For honour, passionate where duty lies,
Most loved and loving.”

Yes, Sir, I look round this House too and I wonder to whom the reference could apply—“ these light-bearded, sunburnt faces ”.

Sir, in the course of the history of the development of the Christian dogma, there are two words that have figured prominently ; one is “ faith ” and the other is “ works ”. My Honourable friend, Sir Basil Blackett looks interested. Yes, it is of fascinating interest, this controversy around these two conceptions of faith and works, and, as I looked round this House I wondered who had found salvation, whether those there, where immense files stand to their credit, who have worked for 150 years creating irrigation schemes, famine schemes, educational schemes—immense things done for India, but with no faith in India, even as a schoolmaster says to his pupil “ I will teach you this, I will give you the other things, but after all I do not believe that when you grow up you will be any good ”. On the other hand, I turn to my

Honourable friend the Pandit and I ask vainly of the Swaraj Party "works"; I find they have a great faith; and it is the faith that every Indian can accomplish great things. They have very little to show, very little actually accomplished, but immense faith. And I do ask this House whether we cannot combine the two; whether works and faith cannot come together. We in this House I say are not prepared, because of the inadequacy of the Resolution put forward by Government, to accept it. We are compelled to vote for a Resolution which with all its defects is based on faith in India and in her future. Here is the opportunity for the Government to come forward and say: "After all when you come to judge the actual issues there is not much between us, the Government and yourselves". Each side has seized on a great cardinal principle. Hold these principles as strongly as you like, but there is always some principle higher than either. To use the Hegelian terminology, "thesis" "antithesis" "synthesis." Surely there is an opportunity for a great synthesis among the Members of this House who honestly hold opinions that are divergent.

Mr. V. J. Patel (Bombay City : Non-Muhammadian Urban) : Mr. President, I had no intention whatever to take part in this debate because I had already expressed my views on the Lee Commission's Report at the May meeting of this Assembly. I see nothing before me to-day to make me change my view. I then stated emphatically and clearly that the Report of the Lee Commission should be consigned to the wastepaper basket and I maintain that view to-day. If I rise to take part in the discussion it is because I hear from all sides of this House the high appreciation of the great work and the good work that the Services have done in this country all these years. That is one side of the picture. I am afraid I feel it my duty to my country to present the other side of the picture and should not allow the case to go by default. I have heard nothing but praise for the I. C. S. I ask this House to judge the Services by the result. The Services are holding the reins of this country for the last one hundred years or more and I want every Honourable Member of this House to examine and realise for himself the condition of the country at the present moment after these 150 years of British rule. The Britisher came here to trade and he managed to stay here to rule. He would not have come here if the country was poor. It is a historical fact that the country was one of the richest countries in the world and to-day what do we find? It is the poorest country that exists on the surface of this earth. The average annual income of an individual—Sir Basil Blackett is not here I am sorry—is not more than £2—Mr. Chaman Lal would like to put it lower. (*The Honourable Mr. A. C. Chatterjee* : "How do you know?") Will you tell us exactly what the income is? We have been repeatedly challenging you, we have been making these statements for the last so many years, and you have never cared to investigate what is really the annual income of an individual in India. You would not face that inquiry, you would not care to make that inquiry, and we know the reasons why you do not want to make that inquiry. Your conscience is guilty. Mr. President, after 150 years of the Services rule you find that millions of people of this country live on one meal a day. The average life of an individual is 23 years and what is the extent of the literacy? 5 or 6 per cent. of the total population of India, —6 per cent. taken as a whole. After 150 years we are told that we are not yet fit to govern ourselves. Our industries are destroyed beyond

redemption and the whole population is disarmed and emasculated. That is the condition to put it briefly, and I want the House to judge the Services by this result. They were in full possession of this country, they were in full charge, they were the masters and arbiters of the destinies of 300 millions committed to their charge, and let them lay their hands on their hearts and answer whether they have governed this country in the interests of the millions of this country, or whether they have governed the country in the interests of their masters 600 miles away?

The Honourable Sir Alexander Muddiman : Hordes of mercenaries!

Mr. V. J. Patel : (A Voice : " 6000 miles ") 6000 miles away, and yet we are told to-day that the Services are most efficient, the Services are most honest, are most sincere, they are truly devoted Services, and all sorts of appreciative epithets are used. I do not understand why all this was necessary except to prove a case in favour of the increases that are proposed by the Lee Commission. I now come to the Report itself. My position is this. I really do not care to look at this Report and to examine it on its merits even if you supply me with the evidence which has been taken in camera. I shall have nothing to do with this Report unless and until the constitutional question is settled. What I want is the power to give the increases to the Services. I do not want the power to recommend. That is nothing, because I know what recommendation means. We have been making recommendations. I have been in this Assembly for the last one year. I have been in the January session, the May session and this is the third session in which I am taking part and we have passed a number of Resolutions recommending to Government to do this thing and that thing and they have thrown all those Resolutions into the waste-paper basket. Every one of them. I can prove it. Every important Resolution has been treated as a scrap of paper by the Government.

The Honourable Sir Basil Blackett : Even the one letting you off income-tax.

Mr. V. J. Patel : Letting me off income-tax? I do not know whether there was any Resolution on that. There was a Resolution carried by a majority regarding self-government. That was treated with contempt. I know the Resolution of my friend Mr. Neogy about the protection of the coal trade. That has been treated as a scrap of paper. There is my friend Mr. Ramachandra Rao. His Resolution that certain contracts of the Railway Companies be previously examined by this Assembly has also been treated similarly, so also has the Resolution regarding Mr. Horniman, and that regarding the appointment of a Committee to inquire into the Sikh troubles, and so on. I can quote instances after instances to show that the Government have discarded all the recommendations of this Assembly.

Pandit Shamlal Nehru : Can you cite any Resolution which they have accepted?

Mr. V. J. Patel : I am sorry I cannot. My friend Sir Charles Innes observed that if this House were going to treat these recommendations of the Lee Commission in accordance with their ideas of what ought to be the constitution of this Government then better not waste our time and that is exactly the stand which the amendment of my friend Pandit

Motilal Nehru asks the Assembly to take. By the first part of his amendment my friend Pandit Motilal Nehru clearly maintains that all the recommendations of the Lee Commission should be rejected. These are the exact words: "This Assembly recommends to the Governor General in Council that the recommendations of the Royal Commission on the Superior Civil Services be not accepted." What is the second part? The second part of the amendment is in my opinion the reiteration of the demand for self-government. If you really read between the lines, that is the only meaning that can be put upon it. The amendment demands the stoppage of all recruits from England, the control of all the Services by the Assembly through the Government of India and the Local Governments concerned. It demands the Public Services Commission to be instituted with functions to be determined in accordance with the recommendations of this Assembly and it further demands the control of services, their pay, their pensions and other concessions to be regulated by the Government of India and the Local Governments according to laws to be passed by this Assembly and the Local Legislatures, respectively. The Governments in so far as the Services are concerned are to be subordinate to the Legislatures. This is the main part of my friend Pandit Motilal's amendment.

Mr. M. A. Jinnah : Where is that ?

Mr. V. J. Patel : I will read it to you. It is on page 6 of the agenda paper :

"That His Majesty's Government be requested to take the necessary steps for the purpose of transferring the powers of appointment and control of the Services now vested in the Secretary of State to the Government of India and the Local Governments, such powers to be exercised under laws to be passed by the Indian and local Legislatures regulating the Public Services, including the classification of the Civil Services in India, the methods of their recruitment, their conditions of service, pay and allowances and discipline and conduct."

So all these matters are to be regulated by laws to be passed by the Indian Legislature and the local Legislatures respectively, and such laws are to guide the Executive. So ultimate power is vested in this Legislature and the Provincial Legislatures. You have got to regulate the Services in accordance with the laws passed by this Legislature and this is possible only if you are subordinate to us. This therefore is a clear demand for self-government and nothing less than that. If it were otherwise I should be last man to support it. I want to make it perfectly clear once again that this amendment, if it means anything at all, means that we want the Services to be controlled by the Government responsible to the Legislature. This is possible only in a self-governing country and therefore the demand in the second part of the amendment is in my opinion nothing short of a demand for full responsible Government where the Services are controlled by the Legislature through the Executive responsible to it.

And the third part of the Resolution is this. We are perfectly willing and I am willing on my part to examine the grievances of the Services. I am perfectly willing to do so. (*The Honourable Mr. A. C. Chatterjee* : "Thank you.") If you only give us the opportunity. (*A Voice* : "Why should you do it?") Why should I do it! Well, if they do not want it to be done we have no objection. If they are willing to leave us I shall not be at all sorry. I tell you frankly and I am quite clear in my mind that India can afford to relieve these gentlemen if they desire to be relieved. I have no the slightest doubt in my mind on that

point. I am not at all in agreement with those who say that we must have the assistance, the help, the guidance, of the Englishman : that we must have an admixture of Englishmen side by side with our Indian friends in the Services. I do not believe in all that. That is all camouflage. If they are prepared to stay as servants, by all means let them stay. We are perfectly prepared to treat them as such. But if they want anything more than that and they wish to go away because they can no longer dictate, I shall not be sorry on that account. I think India can do without them, and it is no use saying that for a long time to come we must have the assistance of Englishmen in India. We have had enough of their dictation. We now want to stand on our own legs. So, Sir, the third part of the Resolution makes it clear that so far as the existing incumbents are concerned we on our part are perfectly prepared to examine their grievances, if any. I do not believe there is any grievance. I think the Services are amply paid, but if there are yet any grievances let us be satisfied about them after we get power to pass final orders, not merely make recommendations. That is my position. The third part is conditional on the acceptance of the second part. It does not stand by itself. We want powers to pass orders before we examine the alleged grievances. I wish to make it clear to this House that the third part hangs on the second part. If His Majesty's Government is prepared to stop all recruits from England from to-day, and if the Secretary of State is prepared to transfer the power of control and appointment of the All-India Services to the Government of India and the Provincial Governments who in their turn are prepared to exercise such powers under laws to be passed by the Indian and local Legislatures regulating the public Services, including the classification of Civil Services in India, the methods of their recruitment, their conditions of service, pay and allowances and discipline and conduct, if that position is acceptable to His Majesty's Government, we are perfectly prepared through a Committee of this House to examine the grievances of the Services if there are any, and pass orders. I wish to make this perfectly clear. (*Diwan Bahadur T. Rangachariar* : "You are speaking for your part.") That is how I understand the amendment. There can be no other meaning. I do not think the third part can be separated from the second. I do not think there is any other alternative possible for any self-respecting body of men, after the manner in which they have been treated in the matter of the self-government Resolution passed at Delhi and after the manner in which they have been treated in respect of last Budget and the Finance Bill, as also in the matter of a number of Resolutions of this assembly since it met at Delhi. We know the consequences of our action, I know what is going to happen. Sir Basil Blackett—I am sorry he is not here now—told us the other day that if you are going to take the stand which was described as 'the manly stand' that you took at the March session in regard to the Budget, then Government will take the step that they took in that connection. That is, "if you are going to be men, we are going to be brutes." I will read his very words in order that I may not be misunderstood. Speaking on the amendment of my friend Pandit Madan Mohan Malaviya in regard to the Lee Commission's Report, Sir Basil Blackett stated :

"I would seriously ask the House to consider whether the result of passing the Honourable Pandit Madan Mohan Malaviya's amendment would be useful. It would be a direct statement to the Secretary of State, to the Government of India and to everyone concerned that this House is not prepared to consider the Lee Report on its merits. It would be a statement to that effect before the Report has even been read.

It would be a direct negative, and is it not obvious that the Secretary of State, in saying that he is willing to hold over the consideration of the Lee Report, until it has been discussed in September, must ask that he shall not be made to reply that in no circumstances will they consider the Report on its merits. If the House says that, obviously there is nothing for the Government of India and the Secretary of State to do but to treat this manly action in the same way as they had to treat the manly action to which Mr. Patel was referring in the last session."

So Sir Basil Blackett has given a clear notice to the mover of this amendment as well as those who are supporting him, including myself, what was going to be the outcome of this debate. We know, as well as you do, that this amendment is going to be carried, that the Government are going to be defeated, and Government know that that is the only manly stand that gentlemen on this side can take consistently with their self-respect. And we also know, we have been told in no uncertain language, that, "if you do that, if you become men, then we shall become brutes. We shall throw out your recommendations, and we shall do what we like, as we did in connection with the Budget." You restored all the Demands for Grants which this Assembly threw out; you certified the Finance Bill which this House threw out; and you are also saying the same thing to-day that, "if you reject the recommendations of the Lee Commission's Report, here we are with power in our hands, we shall restore all the recommendations of the Lee Commission's Report. We fully understand that all this is a mere farce. Whatever Resolution we may pass, you would do what you like. That is our quarrel with you. We want to make it impossible for you to over-rule us. We want to make you responsible to us. We have been told lots of things about the Services and their character, their efficiency, their integrity and all sorts of qualities of head and heart. Supposing my friend Pandit Motilal Nehru were to take the seat which is occupied by my friend, the Honourable Sir Alexander Muddiman, and my friend, Mr. Rama Aiyangar were to take the seat occupied by my friend Sir Charles Innes, and my friend, Mr. Jamnadas Mehta were to take the place of Sir Basil Blackett, would the administration of this country suffer? Would efficiency suffer? How would India suffer, I fail to see. Here is my friend Sir Narasimha Sarma, who has been getting along all right. He was working with me in 1917 and 1918 on this side of this House and he was most irreconcilable, more irreconcilable than some of my friends whom I knew. (*Diwan Bahadur T. Rangachariar* : What about you?") I say I have been consistent and also conciliatory, because I have been saying frankly what I feel and I ask the Members who are sitting on the Treasury Benches what is the difference between them and us. I ask them what are we quarrelling for? Here we are. We want self-government. You say you want to give us self-government. It is only a question of time. Let us sit down together and decide what should be done and how we should proceed. Why should we quarrel over this affair, if you are sincere, if you are honest, if you mean what you say, if you do really wish to give self-government to India. We want it; you say you want to give it to us. We are perfectly prepared to come to terms with you. You will not have all these sleepless nights (Laughter). There will be no difficulty about it. We can come together. That was the motion of Pandit Motilal Nehru at Delhi. It was for a Round Table Conference. It was for bringing us together and talking the matter over and finding a solution. If you do that, there is an end to the whole matter. There will be no more trouble to you and no more anxiety to us. But when you come forward with arguments, such as, "what

about the depressed classes; what about Hindu-Mussalman question; we are required to stand between you Hindus and the Muhammadans; we are required to stand between the depressed classes and the higher classes of Hindus" we question your sincerity and *bona fides*. So long as you assume that attitude, these questions will also not be solved. So long as you stand between us, it is difficult to solve them. In fact, you divide us. I want to make it perfectly clear that the dividing line is there and it is because we want to unite the Hindus and the Muhammadans, the depressed classes and the higher classes, we want to remove the obstacles from our way. (Laughter). That obstacle must go. So long as that obstacle is there, these questions cannot be satisfactorily solved. I know it is our weak point and in our weakness lies your strength. *Ad nauseam*, times without number, in season and out of season, I hear from the Treasury Benches these two arguments, what about the depressed classes, what about Hindu-Mussalman dissensions. Well, there they are, and I do not wish to conceal my view that to a great degree you are responsible for it. I know it is our duty to see that we are not divided, that we settle our differences; and if I have any voice in the affairs of the Indian National Congress, I am going to advise the Indian National Congress which will shortly meet at Belgaum that there should be no more of these boycott-of Councils, boycott of schools and boycott of Courts, but that we should meet together and concentrate on the settlement of the differences between the two great communities of India and the uplift of the depressed classes and the removal of untouchability. The day when the Hindus and the Muhammadans of India unite, that day will see the death knell of the bureaucracy, but I also feel that these differences will continue to exist in some form or other so long as you are here and therefore the sooner you go the better for the country. (Laughter).

Maulvi Abul Kasem (Bengal : Nominated Non-Official) : Sir, it is with very great diffidence that I rise to take part in this academic discussion. I cannot claim even in a very small measure the gracefulness of speech or the dignity of Pandit Motilal Nehru, the eloquence or the fervour of Mr. Jinnah, or the vehemence of Mr. Patel, but none the less I hope, Sir, that this House will give me a kind and a patient hearing. The learned Mover of the amendment under discussion, Pandit Motilal Nehru, spoke with the consciousness of addressing a House of whose support by an overwhelming majority he was assured; and, on the other hand, I speak with the nervousness of a man who is addressing, if I may say so, an unsympathetic audience, or, shall I put it, Sir, a prejudiced jury. Sir, Pandit Motilal Nehru in his amendment says that the recommendations of the Royal Commission should be rejected because the Commission was not wanted by us. I agree with him, Sir, that this Royal Commission was not wanted, at any rate, by the people of India. It was, I believe, also not wanted either by the Services or by the Government of India. I am personally not enamoured of Royal or Ministerial Commissions. They are luxuries which India can hardly afford to pay for or to indulge in. If I rise to speak on this Resolution it is not to speak about the various points raised either in the motion of the Honourable the Home Member or in the amendment of Pandit Motilal Nehru. I have been commissioned by a few men—I cannot say a very large number—who unfortunately happen to be my co-religionists, to raise a note of warning and of alarm. I have given notice of an amendment which I

wanted to be tagged on to any Resolution that was adopted by this House. It was rather an elastic amendment. But you, Sir, have held that after this amendment is carried, and it is bound to be carried, other amendments will fall to the ground. Therefore, I take this opportunity of expressing my opinion with reference to that amendment alone. I want to do so because I want my opinion to be recorded. I know, Sir, that, even among my co-religionists, there are certain people who will not agree with me now, still I want my opinion to be recorded because I believe that, when the enthusiasm and zeal of new converts has subsided, they will realise that I was right and they were wrong. I want my opinion to be recorded for posterity to judge and for the verdict of history. Sir, I have been glad to note that the President of the Muslim League, Mr. Jinnah, in the admirable speech with which he entertained us, enunciated the Muhammadan demands and I was glad to find a chorus of approval from my countrymen in this House. But, Sir, I, in my long experience of public life, have listened to many professions of sympathy and of appreciation of our rights and of our legitimate claims both on the part of the Government and on the part of my countrymen. But, unfortunately, Sir, I have found it to my misfortune and to my regret that these professions and expressions of sympathy towards Muhammadan claims have been uniformly neglected both by the Government, Indian and Provincial, and have never been sincerely supported by my countrymen not belonging to my faith. Sir, I am as eager—whether you believe me or not—to have self-government for this country as our venerable leader Pandit Motilal Nehru. I believe, Sir, that, if the people of this country were imbued with that cosmopolitan feeling and that unbiased sentiment which guide Pandit Motilal Nehru, self-government will come of itself and will not have to be given to us by a foreign power. But, as politicians and as practical men, you ought to look the facts in the face and you ought not to shut your eyes. If you want to achieve your aim and if you want India to progress, you ought to face the situation and realise the facts and remove those obstacles which stand in the way. It has been said that the British element in the Services is an obstacle in the way of Indian progress. I say, Sir, that the British element in our Services as our rulers is an evil. But I must say that it is a necessary evil. We have been told, Sir, for the last 30 years that there is a brotherhood of Indian nationalism and that Hindus and Muhammadans have practically no differences. And it is only the British bureaucracy that creates the differences simply to follow the policy of divide and rule, simply to strengthen their position. I wish it was so because then the path of progress would be easy. Let us face the facts. Reference has been made here to the incident at Kohat, and the gallant Captain there (Captain Hira Singh) referred to the incidents at Delhi and elsewhere. These mob riots I can brush aside; they have no meaning; they are the doings of an infuriated mob with fanaticism on one side or the other. I will take you and draw your attention to a separate matter altogether. What has been the conduct of responsible Indians, holding responsible positions? I will place it before you, Sir. Here is the profession that you want an Indian administration administered by an Indian Government, by Indians. Do you really mean it, and is it to be tested by your conduct and your conduct alone? I will take you to the Province of the Punjab. There you had the unedifying spectacle of all the non-Muhammadan Indian Members going in a body on a deputation to His

Excellency the Governor and asking him to remove the Muhammadan Minister simply because it was alleged that he was giving appointments to Muhammadans. That is an edifying spectacle ! This was not done by a mob in Sadar Bazaar in Delhi or the Machua Bazaar of Saharanpur ; this was done by the elected representatives of the Punjab who were there as responsible statesmen. Then, Sir, they say : " It does not matter, as soon as the British element is removed, we shall manage our own affairs." I take you to the Punjab again. The Municipalities there were governed by British officials, and they were removed and Indians were asked to manage their own affairs in local bodies, and what happened ? In Ludhiana and in other places as soon as a Muhammadan was elected as the head of the Executive, as Chairman of the Municipality, the Hindu municipal commissioners of these Municipalities who are responsible men, who are educated men, who are not a mob, who are not a rabble, walked out of the municipal rooms, and in many cases filed a suit asking for the election to be set aside. That is the spirit.

Mr. Chaman Lall (West Punjab : Non-Muhammadan) : May I ask the Honourable Member whether that was the sole reason why the objection was raised to the Muhammadan Chairman in Lahore ?

Mr. Abul Kasem : I am speaking of Ludhiana.

Mr. Chaman Lall : Is that the sole reason ?

Maulvi Abul Kasem : The facts are as published in the papers. In Ludhiana the gentleman who was elected as Chairman was one of the foremost Nationalists of his day. (*An Honourable Member* : " Who elected him ? ") He was elected by Muhammadan votes because they were in the majority. Then, Sir, going a little further. You ask that the British element be removed. I said in the beginning that it was an evil, but I said it was a necessary evil, necessary not on my account, not on account of the Muhammadans, but on account of you. I will remind you again of the incident at Saharanpur. That unfortunate city had a Muhammadan Magistrate during the course of the riots there and there was a responsible Hindu gentleman who sent a wire to the Government to remove him and substitute a European in his place. These spectacles are not edifying, and these facts do not give us faith, hope and confidence.....

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadan Rural) : I should like to know if the observations made by the Honourable speaker are relevant to the point at issue.

Mr. President : I understand the Honourable Member is addressing himself to the necessity of preserving the British element of the service, which is the point at issue.

Maulvi Abul Kasem : Then, Sir, I go to my own province, the province of Bengal, where we form an absolute majority of the population.

There is the apostle of Hindu-Moslem unity—a great national leader (*An Honourable Member* : " Who ? " **Mr. T. C. Goswami** : " Have the courage to name the person "). I will give you his name—**Mr. C. R. Das**. He and Hemanta Kumar Sarkar went personally to the Honourable the Maharaja of Nuddea who happens to be to-day a Member of the Executive Council ; and it was on the 27th August last that they did so—I give you the very date—and asked him to get the Muhammadan Collector of Nuddea removed from that district because he had Moslem proclivities.

Mr. T. C. Goswami : On a point of order, Sir. I challenge this statement ; I challenge the Honourable Member to repeat the statement outside this House, in public, if it is not a deliberate falsehood.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : May I ask one thing ? Is not the Collector of Nuddea a relation of the speaker ?

Mr. President : Order, order. I must ask the Honourable Member not to be quite so provocative in his manner.

Maulvi Abul Kasem : My statement has been challenged, Sir. I have given the name of a gentleman who happens to be not only a territorial magnate but a Member of the Executive Council of Bengal and verification can be made from him.

Mr. T. C. Goswami : This cannot be allowed to go on unless the Honourable Member is prepared to state it in public,—to repeat his statement about a very great man outside this House. I challenge him to do so again, if he has the moral courage to do so.

Mr. President : Order, Order.

Maulvi Abul Kasem : Then, Sir, I will go still further. Pandit Motilal Nehru has said and said with great force and truth that there are two parties, political parties, in this country—the Swarajists who are not enamoured of the present constitution or the reforms under the Government of India Act, and the Liberals, including the Moderates as he phrases them. They say that this party wants to give the reforms a fair trial. These are the two parties. But I may mention that in this country there was another party, a small coterie who were very much enamoured of these reforms and who wanted to give them not only a trial but who were wedded to them, who were fosterfathers of these reforms, if I may call them so. In Bengal, Sir, on the 26th August last there was this edifying spectacle, if I may call it so—the spectacle of the fosterfathers, the promoters, the supporters of the reforms, joining hands with those whose whole object was to wreck the constitution. Now why should people who were absolutely apart in politics about the question of reforms join hands ? There was one party, and they were honest and straightforward, who said they wanted to wreck dyarchy, to kill it. I can understand that. But those people who wanted to run the dyarchy and who had supported it right through—they went and joined hands with the wreckers of the constitution. My reading of the situation is that they did it because the dyarchy was being run by a Government which was Muhammadan in name if not Muhammadan in character.....

Mr. Amar Nath Dutt : I may tell my Honourable friend.....

Mr. President : Order, Order. The Honourable Member will get his chance later.

Maulvi Abul Kasem : When the non-Muhammadan Members or some particular Members of this House cheered and approved of that statement of Mr. Jinnah about the Muhammadan demands they thought that they had taken the wind out of our sails. (*An Honourable Member :* "Do you represent the Muhammadans ?") I represent nobody. I want my own opinion recorded and I want history to judge it.

Mr. Amar Nath Dutt : Were you not unsuccessful in two constituencies ?

Maulvi Abul Kasem : I may have been unsuccessful in two constituencies, but see around me people whom I have got elected to several places in older days. Faith, professions, principles have been laid down times without number. I for one will not be satisfied with that; I want positive action shown. Pandit Motilal Nehru in the course of his brilliant speech put a question to the Europeans and said "We want you to let us walk and help us in doing so." I will repeat the same question to him and I will tell him "If you want India to progress, if you want to attain responsible self-government, if you want freedom from the chains under which we suffer and which is as humiliating and as degrading to me as to you, I say the best course would be to raise up the Muhammadans, bring them up to the same standard and place them in the same position which they occupied so that they may walk and march in hand in hand." I have been told that these minor questions can be settled afterwards; "Let us first get rid of the bureaucracy and then we will settle our differences and everything will go on peacefully." With due respect to my distinguished friend, I beg to differ from him on that point....

Pandit Shamlal Nehru : May I ask my Honourable friend if he was not personally responsible for the Lucknow Pact in 1916 ?

Maulvi Abul Kasem : I was and I still hold to it ; but what I want is that that pact and any pact that may follow must be translated into action by you and not by a bureaucracy....

Pandit Shamlal Nehru : As soon as we get self-government.

Maulvi Abul Kasem : What I say is this : I make this a condition precedent because in all matters a combination between a strong and a weak party is always dangerous for the weaker party and therefore I say if you want us to march hand in hand with you, to walk shoulder to shoulder with you, I would ask you "Give me the position, the privilege and the strength in order that I can do so." So far, Sir, with reference to my particular amendment.

I shall not detain the House, Sir, because abler men have discussed the various elements of the question under discussion ; but I will say this much that I do not agree with Colonel Crawford when he says that British prejudices about medical attendance should be respected. I know of no person who would object to be placed under treatment by a foreigner. I do not know what Diwan Bahadur Rangachariar meant when he said that he wanted a Brahmin to be treated by a Brahmin. I for one, if I am sick, prefer to be treated by a doctor who was qualified and not by a merely Mussalman doctor....

Diwan Bahadur T. Rangachariar : If my Honourable friend will forgive me for interrupting him, I find that speaker after speaker is not capable of understanding a joke.

Maulvi Abul Kasem : After all it was a joke. There are of course many things in the recommendations of the Lee Commission which are not acceptable to me. But the difficulty lies both with regard to the Resolution brought in by Sir Alexander Muddiman and the amendment of Pandit Motilal Nehru. Dr. Datta said that he would not vote for the one and that he was obliged to vote for the other because he accepted it in principle.

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Maulvi Abul Kasem : After all it was a joke. There are of course many things in the recommendations of the Lee Commission which are not acceptable to me. But the difficulty lies both with regard to the Resolution brought in by Sir Alexander Muddiman and the amendment of Pandit Motilal Nehru. Dr. Datta said that he would not vote for the one and that he was obliged to vote for the other because he accepted it in principle.

My unfortunate position is that I cannot accept Sir Alexander Muddiman's Resolution as it stands, nor can I accept the amendment of Pandit Motilal Nehru.

Mr. W. F. Hudson (Bombay : Nominated Official) : Sir, at this stage in the evening I cannot expect to interest the House, but I can at any rate promise to be brief. There appear to me to be about twenty grounds on which I should like to oppose the Honourable Pandit's amendment, but, as I hope to observe the time-limit rather more successfully than some of my Honourable friends who have spoken before me, it is obvious that I must confine myself to one or two points. My main objection to the amendment is that it is a delaying amendment. That was probably not the intention of the Honourable Pandit, but it will unquestionably have that effect if it is passed and carried into effect. The Services have already waited an intolerably long time for reliefs which were overdue four years ago, and as each month goes by the financial situation of the individual officer grows worse and worse. I do not propose now to weary the House with a long and painful history of the representations that were made to the Government of India from every Service and from every province from the year 1920. It has been well said that the mills of God grind slowly ; but in the eyes of the Services the mills of God are high velocity engines compared with the mills of the Government of India. At long last, however, when hundreds of officers had given up the unequal struggle and taken their proportionate pensions and gone Home in the hope of being able to pick up a decent living there, then the Royal Commission was appointed, and although many months elapsed before they started work, when they did get to work they grasped the fact at once that this was a matter of extreme urgency and they most commendably got out their Report in what for a Royal Commission must have been record time. I would also draw the attention of the House to the fact that in their recommendations they unanimously urge that there should be as little delay as possible in taking action on their proposals. And now, Sir, at this point, after four years of weary waiting and financial stress and just when a spark of hope has been lighted, it is proposed by the amendment to scrap this Report and to do the whole work over again. For the work would have to be done over again, since I think it must be obvious to anyone that evidence given under the seal of secrecy could not possibly be divulged to anyone for whom it was not intended. Any Secretary of State who attempted to divulge it would be hounded out of public life in England and deservedly so. (*Pandit Shamlal Nehru* : "Not even to the Government?") No, Sir. Not even to the Government. It was intended for the Royal Commission. Now, it is not explained why there is any reason to suppose that this Committee would do the work any better or more equitably than the body of distinguished public men who were recently appointed by the Crown. In this kind of question there must be finality somewhere, and I submit that the unanimous finding of a Royal Commission on which India was very admirably represented and this House in particular was represented by one of its ablest and most independent Members should be accepted by all reasonable men.

Now, Sir, I propose briefly to explain one or two matters in regard to which relief is so urgently needed. The amendment says that no material evidence is indicated in the Report. I propose therefore to

indicate just a few facts and figures—as few figures as possible, as I observe that the Honourable Mr. Jinnah does not like being bombarded with them. Figures are things you cannot get away from altogether in discussing a matter of this nature. The point which I wish to draw your attention to is that relief which we call free passages, one of the most important from our point of view. As regards this, I cannot but note with surprise and regret that, judging from the amendments I see before me and the speeches we have heard, many Honourable Members are opposed to any concessions of this kind. I said “with surprise” because I should have thought that a concession in this form would have obtained a special degree of sympathy in this country. Love of his home is one of the strongest sentiments of every Indian, and, though I do not want in the least to be unduly sentimental on this occasion, I should like Honourable Members just to ask themselves seriously how they would feel if they had been cut off for years and years, as scores of European Civil servants have been by the cost of passages, from a sight of their parents or their children. Now, for the figures. In 1913—I take a typical case—a return passage of an officer, his wife and one child cost about Rs. 3,000. In 1920, when the revised scale of pay was fixed, the cost was Rs. 2,000. To-day it stands at Rs. 5,000. Now, of course, I understand that to the successful professional men whom I see around me—many of whom I feel sure have doubled their fees since the War—Rs. 5,000 is a mere bagatelle. But how is a junior officer with a wife and child on Rs. 1,200 or Rs. 1,500, how is he ever going to save Rs. 5,000 when he can barely pay his bills in this country? It simply cannot be done, and if he takes leave at all, he has to do one of two things—he either has to borrow on his insurance policy or he has to borrow from Government—which latter resort cripples his resources for many years to come, after his return from leave. So the Royal Commission realised that it is essential that an officer should have a free passage to Europe, not only in his own interest but in the interest of his efficiency as a public servant and that, owing to a rise of nearly 200 per cent. in the cost of passages since the last revision of pay, some relief is absolutely necessary. And it seems to me, Sir, that the Royal Commission have given the relief where it is most needed. In this concession there is no encouragement to any extravagant standard of living such as I understand some Honourable Members consider now prevails—though goodness knows on what grounds. This concession makes it possible for an officer to see his home and his children at long intervals and to fit himself to discharge his duties efficiently in this country. Moreover, there is nothing in the least unusual in this concession, as we heard from the Honourable the Finance Member this morning. The Government of the Malay States and I may add the Governments of the African Colonies give it, and most of the European firms give it. Had the Government of India given it in days gone by, it is highly probable that there would have been no need for a Royal Commission at all. The Civil Service never pressed for it until circumstances absolutely compelled them to do so, but the time has come when they cannot get on without it. Sir, scores of officers, I may say, hundreds of officers, are waiting eagerly for this concession to be sanctioned: men who have borne the burden and the heat of the day through long years without a break. They are longing for a sight of their homes and their children, and this is their only chance. And if it is denied to them, in my belief there will be

a wave of discontent throughout the Services such as India has never before experienced.

There are many other points which I should have liked to discuss, but I must leave them as the time is already late. But before I sit down I want in all good faith to make this appeal to the Assembly. It has been said with some degree of truth that no argument and no speech has ever turned a vote in a democratic House, and perhaps we can hardly expect an exception in this, one of the youngest representative Assemblies in the world. The argument which I am going to use is one which was put yesterday in rather a different form and received in parts of the House with, what are called in the House of Commons "ironical cheers"—I venture to hope that there will be no ironical cheers to-day. I put the argument in all good faith and it is not really a humorous matter at all. One of the aspirations, as we have heard several times to-day—one of the aspirations of many Members of this Legislature is that the control of the whole of the All-India Services should be transferred to India and exercised by the Government of India or the Local Governments through a Public Service Commission. With that aspiration as such I have no quarrel whatever. On the contrary I understand and sympathise with it. But it cannot be realised, and I venture to say it never will be realised, until it has been clearly established by something more than words—we have had very kind words to-day, but we want something more than words—that the Services will be treated as fairly by the Indian Government as they are by the Secretary of State. Now, it is no use blinking the fact that the Services at present are convinced that such would not be the case, and if we may judge by the political speeches and writings of the last four years, and even by some of the speeches in this Assembly, they have sound grounds for their apprehension. And now, Sir, there is a unique opportunity,—an opportunity which I think is not likely to recur for years—to show that the apprehensions of the Services are quite ill-founded and that this country is prepared to treat its permanent Civil servants as fairly as any other. If this Assembly to-day generously and unanimously accepts the carefully considered proposals of the Royal Commission in regard to the relief of the Services, there is no question that the impression that will be made upon the British Government, the British Parliament, and the British people, will be profound, and that it will be difficult hereafter to maintain the argument that the Services need and must have for years the protection of the Secretary of State. But if this Assembly is so ill-advised—I do not wish to use any unpleasant word—if this Assembly is so unwise as to reject these proposals or postpone them to some remote and obscure future, then the British Government, the British Parliament, and the British people, who still have a robust faith in the impartiality and capacity of Royal Commissions, will realise that the apprehensions of the Services were well-founded, and that much water must flow under the bridges before a change can be made. I repeat, Sir, this is a unique opportunity for doing a highly effective thing at a comparatively small cost, and an opportunity which I make bold to say that any one with sound political sense would gladly and readily grasp.

Whether this House will display that sense can only be known when the division bell rings, but I for one am still full of hope, despite what has been said and despite the amendments on the paper, that wiser counsels may still prevail.

Diwan Bahadur T. Rangachariar : Will you permit me to ask the Honourable Member who has just spoken and his fellow officers to advise the Government to accept the offer made by Sir Chimanlal Setalvad ?

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : The debate has been long and has been unique in the history of this Assembly, and at this late hour I shall endeavour to put the few points that I have to as brietly as I can. There are certain points upon which I think opinion should be unanimous. After the appeal which Mr. Hudson has made, I shall ask him and other members of the Civil Services and my other European friends to try to realise the position of us, Indians. I will ask him and other members of the European Services and non-official Europeans to try to get into our skin and to realise the position we are in. I will ask them not to be led away by the impression that we have come determined to vote against the Resolution of the Honourable the Home Member and to carry the amendment of Pandit Motilal Nehru irrespective of any consideration of what is right and just. Let me assure them that we have given the matter the fullest consideration and let me assure them that we have listened with attention and respect to every argument that has been put before the Assembly. Nothing would give us greater pleasure and sincerer satisfaction than that we should agree with our European fellow subjects in the Assembly.

(At this stage Diwan Bahadur T. Rangachariar, Deputy President, took the Chair.)

I know there would be a thrill of satisfaction throughout the land so far as the members of the Civil Service are concerned if we should accept the proposal of the Honourable the Home Member, and my friends will concede that we are human. We should like to share that thrill of satisfaction, we should be cheered, we should be pleased to know that we had given satisfaction by our action to our European friends. But there is a higher duty that rests upon us. We are not here as masters of the purse that we are asked to vote on. We represent the people, a people admittedly very poor, and every proposition which involves expenditure which is put before us requires that we should give it our earnest and honest consideration and vote upon it with no other consideration except what is due to the people. I admit that it is due to the people that the public servants of the country should be satisfied on all reasonable grounds that their claims are properly dealt with. But I think my friends opposite will also agree that it is due to the people that the public servants of the country should also realise what the people can bear and what they cannot bear. It has been admitted in the debate that the salaries of the I. C. S. stand higher than those of the Services in other departments, and so far as I know, of the Services in all other countries except perhaps America.

Mr. D. V. Belvi (Bombay Southern Division : Non-Muhammadan Rural) : Not even America. The Civil Service is the highest paid in the whole world.

Pandit Madan Mohan Malaviya : That was my own impression, but I was told by an English friend of the exception.

Mr. Deputy President : If the Honourable Member wants to speak on a point of order, he will have to rise from his seat and then I will ask the Pandit to sit down.

Pandit Madan Mohan Malaviya : Now, Sir, my Honourable friends, my European friends, know that for decades past we Indians have been complaining that the salaries given to the Indian Civil servants and to the higher European Services in this country were extravagantly high. At the end of nearly fifty years the Commission which was appointed in 1912 proposed increases in that salary. The Commission reported in 1914 but the report was dealt with and final orders were passed on it in 1919-20. The salaries were increased, increased we were told at the time to the satisfaction of all the members or most of the members of the Services. My Honourable friend, the Deputy President, who is now presiding over our deliberations, pointed out yesterday that taking into consideration the six years that had elapsed, the Secretary of State and the Government of India made additions to the proposals of the Islington Commission in order that the salaries should be proportionately increased in view of the rise in prices which had taken place between 1914 and 1920. He told us that nearly a crore and 15 lakhs were added to the total of the increases given. Now Sir, he also told us that since 1920 there has been a decline in the prices. That point stands uncontroverted.

The Honourable Sir Basil Blackett : I rise to a point of explanation, Sir. I pointed out to you, Sir—the Honourable Pandit was perhaps not listening—that the mistake was made by you of taking the year 1920. The year 1919 was the year in which the increased or revised salaries were given and there has been a considerable rise in prices since then.

Pandit Madan Mohan Malaviya : My Honourable friend has not said that there has been no decline since 1920. There may have been some increases in the prices of some articles for a short time after 1919, but taking as a whole all articles that have to be used and paid for I think the position taken up by my friend, the Honourable Mr. Rangachariar, still holds good. (*The Honourable Sir Basil Blackett :* "No.") Then, Sir, we must agree to differ. Having regard to the facts stated by Mr. Rangachariar and Sir Purshotamdas Thakurdas, I am not satisfied and I do not know that many Members of this House are satisfied, that there has not been a decline in the prices, taking all things together. And certainly the Honourable the Finance Member has not established that there has been any substantial rise in the prices since 1920. Now, Sir, I submit the position is that the salaries that were given in 1919 were regarded as adequate. In a book published by Mr. Hughes and named "Careers for our sons", which is an excellent publication setting forth the avenues of employment open to British youth, it is pointed out that the increases that were given would have been satisfactory but for certain facts, and those facts are specifically mentioned. It says :

"Before the war the commencing pay was adequate but during the war the rise in the value of the rupee and general increases in the emoluments of all officials raised it to the high figure of £9.58."

I may say that the book was published in 1923,

"Now however the rupee has dropped to the pre-war level of 1s. 4d., and the emoluments, increased though they are, do not meet the high cost of living in India except by the exercise of strict economy."

That is a phrase which I wish the House to note—"except by the exercise of strict economy". Then the writer goes on to say :

"The advent of self-government in India whereby the administration of Government passes gradually from the European to the Indian has brought other changes in the outlook of the Indian official. He is no longer quite so sure of his future and what appointments will fall to his lot in the days to come."

These were the two grounds mentioned. It was admitted that the salaries had been raised sufficiently high, but it was said that they were such that because of the fall of the rupee one had to practice strict economy in order to get on satisfactorily. Now it is in this position that demands have been put forward by the Services for further increases to the salaries in the shape of various allowances and passages, etc. I ask, Sir, Members of this House, including my friends on the Government Bench, whether in such a state of things the only consideration to be put before the Assembly and the Government in this country and in England is the need, the greater need, of the Civil Services, or is the condition of the people also a factor to be taken into consideration? I ask the House, Sir, to bear in mind that during the last three years, after the close of the war, additional taxation to the extent of 41 crores has been put upon the people of this country. I ask the House to bear in mind that this taxation has pressed very hard upon the people. It has affected the general prosperity of trade and industry in this country. Business has been slack; there is a long and loud complaint throughout the country that the condition of the people has become very much worse than what it was during the days of the war. In such a state of things, Sir, when the Government have found it necessary to add 41 crores of additional taxation to what existed three years ago, is it conceivable that in any other country, in any Parliament which represents the people and is solicitous primarily of the welfare of the people, and after it and subject to it of the welfare of the Services, is it conceivable that proposals for further increasing salaries or giving allowances to the extent to which it is now proposed, would be put forward by any responsible Government? I mean no offence and I hope no offence will be taken, but I ask my Honourable friends on the Government Benches and I ask my European friends to consider the two things together. Undoubtedly the Services may find it hard to meet their requirements without strict economy, some of the members of the Services may be labouring under real hardships; when so many European friends and Members of the Government reiterate that members of the Services are suffering hardships, it is no pleasure to us to contradict their statement. We have got no evidence on which we can come to that conclusion. But we are not in a position at the same time to definitely contradict what they say. I assume that some members of the Services find it a real hardship to get on because the rupee has fallen. But, Sir, the fall of the rupee is not a new event in the history of British Indian administration. For the last seventy years and more members of the Civil Service as well as the people of India have had painful knowledge of the fact that a fall in the value of the rupee inflicts a great loss upon India, both upon the people, sometimes upon the Services. The Services have on the whole been remunerated for the losses inflicted upon them for a long time past by the payment of exchange compensation allowance. When its abolition was decided upon, they were given substantial additions to their salaries. Now that being the position, I ask the House to consider whether, in view of the increases given in 1919-20, in view of the general poverty of the people of this country, in view of the initial high salaries paid to the Indian Civil Service, and in view of the fact that 41 crores of additional taxation has recently been put upon the people, and that there is no prospect of reducing it for the present: in view also of the fact that the Provincial Governments are being starved in all Departments which most vitally affect the interests of the people, I ask, Sir, is it right of my European friends, my friends, my brethren of the Indian Civil Service, to press their claims for increases to salaries and

allowances in the manner in which it is being done ? And if those claims are real and if it is so very necessary to press them, is it wrong of us who come here by the suffrages of the people to ask that evidence should be placed before us to support them. There is such a thing as a small voice within us human beings who are in this Assembly, and that voice has to be satisfied particularly when we are dealing with the interests of other people. That voice demands that the facts upon which the members of the Civil Service have asked for additional advantages being given them, should be placed before us and that we should be trusted to come to a fair and just conclusion upon such evidence. We are asked to take the recommendations of the Commission on trust, because the Commission was composed of honourable men. Of course they were all honourable men ; of course they were appointed by His Majesty the King Emperor, but that is not sufficient to satisfy me that they have come to right conclusions. They are human as much as we are. If we are believed by some of our fellow Members to be going wrong at this moment in spite of the deliberations which we have had among ourselves, with no other desire than to come to the right conclusion, is it very wrong to think that our friends of the Royal Commission might have gone wrong in the conclusions at which they arrived ? I hope not, and, therefore, I hope my European friends will at least give us the credit of not having come with a perverse determination to vote against the Resolution of my esteemed friend, the Honourable the Home Member, for the mere fun of it. If we are unable to support the Resolution it is because we feel that we owe it to our people that before we agree to them, we should be satisfied that the increases which are demanded, which are asked for, are justifiable. That is our position. We do not wish to be unjust to the Services. Several friends have said that there will be wide dissatisfaction among the Services if the recommendations are not accepted. My esteemed friend, Mr. Willson, deviated from the attitude of calm consideration which he generally adopts and almost threatened that the recommendations must be accepted in toto or the Chambers of Commerce backed by all the British capital that is invested in this country would rebel against Government. Another Honourable Member said that if these recommendations are not accepted, it will create a feeling among the people in England and the Services that we are an uncivilised lot. A third Honourable Member has just now told us that if these recommendations are disregarded, we shall be regarded as a very unwise people and the question of what further concession in the direction of constitutional reform should be given us in the future will be prejudiced. Now, Sir, I am concerned with the living present. It is not for me to peep into the future and to shape my conduct at this moment by a consideration of what judgment may be passed by my fellow-subjects in England or in this country upon our action. We have a very clear issue before us. Have we got any evidence before this House to support the view that in spite of the additions of salaries given in 1919-1920, there is justification for the further increases which are asked for ? Such evidence has not been placed before us. One gentleman said, and I may join with Dr. Datta in congratulating him on his fine speech, though I do not agree with him in many points,—Colonel Crawford told us that Pandit Motilal Nehru would not place his domestic affairs before any Committee and he should not expect European Members of the Service to place evidence relating to their domestic affairs before this House. I am sure if Pandit Motilal Nehru wanted the House to increase the emoluments which

he might be getting as the Legal Adviser of the Government of India or in any other capacity, on grounds similar to those which have been urged in the case under consideration, he would certainly have to submit facts to support his case to the Committee which might be appointed to go into the matter. No one would like to peep into.....

Pandit Motilal Nehru : I would double my fees instead of submitting my accounts.

Pandit Madan Mohan Malaviya : We have no wish to peep into the private affairs of any of our fellow-subjects. But when they ask for increases in salaries, or allowances on the ground of difficulties in making the two ends meet, when they present a budget in which they show the number of servants they employ and the salaries which they have to give to these servants, when they show what amount they have to spend over the education of their children and so on, they must submit evidence in support of their case to those who are required to vote the increases asked for. Of course it is open to the Government as it is constituted to accept the recommendations of the Lee Commission. The Secretary of State has got powers under which he can do almost anything he likes in relation to the finances of India. It is very kind courtesy that he has asked us to express an opinion on the recommendations of the Commission. He can overrule us. But if he will overrule us, he will be acting upon his own responsibility. He may be satisfied upon the evidence that he has looked into or he may look into that the claims of the Services are just and reasonable, and that, even in the present condition of the people of India, the recommendations of the Commission should be accepted. But we are not given the opportunity to be so satisfied. We are not put in a position to know the facts and to base our judgment upon them. In this situation what do we urge ? What we urge is not that we should turn a deaf ear to all representations regarding increases in salaries but that we should act as any sensible private individual would. Suppose there is a private individual whose income is limited, even as a Member of the Government of India, to Rs. 6,666 a month. He finds that he has got several servants in his employ and that he cannot, owing to his limited means, keep all these servants satisfied. What will he decide ? He will decide that instead of keeping all the servants dissatisfied he should give notice to two of them and be content with two less, or engage others on cheaper terms in their places. That is the proposal which has been put before this Assembly for the consideration of the Government. What we say is this. If you are so thoroughly satisfied that the Services need some further relief, then act fairly by the Services and by the people, and earn the gratitude of both. Agree to stop further recruitment in England in the future. What is the good of going on adding to the number of discontented men in the Services ? What is the good of adding to the volume of discontent that must prevail in this country if you give these increases over the heads of the people in spite of the opposition of the representatives of the people ? Clearly, you and we ought to agree that justice should be done to the existing members of the Services. I think from all that has been said every Member of this House is satisfied that we are prepared to consider any legitimate grievances which any member of the Services may have. These members are our fellow-subjects and our brethren. I do not wish to speak of them as servants, though we all are servants of the public. I do not wish that there should be the smallest feeling in the mind of any member of the Civil Service that it is a pleasure to us to criticise them or to oppose their

claims. We value the work that they have done. We appreciate it. We honour them for their work, though we regret also that there is another side of the picture to which we have to draw their attention. But we agree that if they have a just grievance, that grievance should be considered in the fairest possible manner.

(At this stage Mr. President resumed the Chair.)

What do we suggest? What does the amendment suggest? It suggests that the further recruitment of Europeans in England should be stopped. That will enable us to effect some saving. We do not want to appropriate that saving to the general revenues. Being assured of it we wish to consider what we must give to our European friends of the Indian Services in order that they should be reasonably satisfied. We do not want any member of the Indian Services to have a reasonable cause for discontent or dissatisfaction. We do not want any member of the Civil Service to think that, if we Indians have a voice in the settlement of their claims, we are determined to use that voice against them. If they should take that view, let me tell my friends that they will be doing a great injustice to us. We wish to be just to them. We only desire that they too should be just to us and to the people, whom both they and we are bound in honour and in duty to serve

That, Sir, is the first reason, for the proposal which has been put forward on this occasion to stop the future recruitment of the Services in England. The primary consideration is to find both a justification and the means for the giving of the relief which is asked for. Do not let any Member think that this proposal is put forward as a dodge to delay the giving of relief. My Honourable friend, the last speaker, thought that the amendment was a delaying amendment. It is not so. Speaker after speaker on this side of the House has stated that we are prepared at once to go into a consideration of the claims of the Services. But our proposal has not commended itself to the Honourable the Commerce Member, and the Honourable the Finance Member has joined him in rejecting it instead of helping him to consider it more carefully. I regret it, Sir, I regret that a proposal which has been put forward in all earnestness, in all honesty of purpose, should not have received a more favourable consideration from my esteemed friends on the Government Benches. I do not make light of their difficulties. I know what their difficulties are. But this is an occasion on which the difficulties of our position ought to be placed before the Government in England to be considered along with the difficulties of which the Services complain. But there are other reasons, Sir, why this proposal has been put forward. It has been pointed out that English youths are not willing to offer themselves for the Indian Services in large numbers because of the changed circumstances. One of these circumstances, as mentioned in the book from which I quoted, is the altered outlook brought about by the proposal for the Indianisation of the Services. To my mind many of them desire to be assured that certain positions in the Indian Civil Service shall be reserved for them in the future, and that is the reason why in the warrant of appointment of the Commission the language used was entirely different from the language used in that of any previous Commission relating to the Public Services. From the time the Act of 1833 was passed, the English Government had avoided the use of the words Europeans and Indians in the Statutes and Orders they had passed. The Act of 1833 laid down that no distinction would be made between Indians

and Europeans as such, that no Indian would be debarred from holding any appointment for which he may be qualified merely by reason of his race. For the first time in the warrant of appointment of the Royal Commission with which we are dealing, it was said that it should inquire into the "recruitment of Europeans and Indians respectively for which provision should be made under the constitution established by the Act of 1919." Now, I submit, Sir, this was a regrettable departure. In 1861 when the Indian Councils Bill and the Services Bills were under consideration in Parliament, a proposal was made that it should be specifically provided that Indians would be represented in the Councils. Sir Charles Wood, the then Secretary of State, refused to do so on the ground which he explicitly stated that "to hold the perfect equality before the law of all Her Majesty's subjects" and that there was no distinction, such as European and Indian, among the subjects of the Queen, whatever might be their differences of birth, or race or religion. This departure, I submit, was regrettable, but there it was, and the Commission has made its recommendations for dividing the posts between Indians and Europeans. Well, if on account of the fear of the diminution of prospects which is felt by the members of the Indian Civil Service, they want to be assured that certain posts in the Civil Service shall in future be reserved for them, that is exactly the constitutional objection which arises so far as we are concerned. We do not want to create a further super-class in the ruling class which has existed so long in this country. We want that members of the Indian Civil Service should come into the service by virtue of their merit and not as Europeans or Indians. That is another reason why we object to these proposals of the Commission.

Lastly, Sir, we want that the recruitment for the Indian Civil Services should stop in England also in order that Indians should have a fair chance of filling up the higher appointments in their country. India has not had a chance during all these many years of building up a public service of its own, nor shall it have it until recruitment in England is stopped. I agree with my Honourable friend, the Member for Commerce, in desiring that we should have an honest, strong and efficient public service. I agree with the proposals of the Commission, that we should have a Public Services Commission and Public Service Acts. We desire that we should pass such Acts as early as we can in this Assembly and take action upon them. But we want that we should consider the matter on a correct basis and under fair conditions. So long as the recruitment and control of such a large number of important appointments will remain with the Secretary of State, the building up of a really efficient Indian public service will be practically impossible. The presence of what will be regarded as a superior service will act like a Upas tree, and it will not allow any healthy plant to grow under it. We therefore desire that the primary question of the control of the Services should be settled in our favour, and that we should be given a fair chance of building up a real, honest, efficient Indian Civil Service of our own. As my English friends know, the building up of a public service is not a thing which can be effected in a day. Their own Civil Service is not more than a century old. Up to the middle of the last century there was no organised Civil Service in England. Commenting on the Civil Service of the day in 1849, Sir Charles Trevelyan described it as "inactive, incompetent and overstaffed in numbers."

"There is a general tendency,"—he complained,—“to look to the public establishments as a means of securing a maintenance for young men who have no chance of

success in the open competition of the legal, medical and mercantile professions. There being no limitation in regard to the age of admission in the great offices of State, the dregs of all other professions are attracted to the public service as to a secure asylum, in which although prospects are moderate, failure is impossible, provided the most ordinary attention be paid to the rules of the Department.'

This was the state of things in England in 1849. On the recommendation of Sir Charles Trevelyan and Sir Stafford Northcote the Civil Service Commission was organised, and it is only since then that the English people have had the benefit of being served by an excellent Civil Service. The Civil Service of India was constituted a few years later ; and we know that unless a Civil Service Commission like that is constituted, and the Service properly organised and controlled, we cannot expect the Service to be honest, efficient, and impartial. We know that in the days of Clive the servants of the Company were not of the type of which Englishmen could be proud, and we know that their emoluments were fixed at high figures in order to fortify them against temptation and to enable them to act with a sense of decorum and to build up honourable traditions of the Service. The present Service is the result of sixty years of regulation. We honour it for its incorruptibility. As the Honourable Sir Charles Innes put it, we want that the Services in India should be as honest, as efficient and as incorruptible as the present Civil Service is, if not even better. (*A Voice* : " But are they incorruptible ? ") There may be exceptions, but exceptions should not be noticed, when the bulk of the Service is, undoubtedly, honest, efficient and incorruptible. We desire, Sir, to develop such a Service and we feel that if we stop further recruitment in England we shall be able to build up such a Service. If we do not do so, we are also exposed to a new danger. The recommendations of the Lee Commission distinctly provide that if certain subjects, at present reserved, are transferred in future to Ministers, a member of the Civil Service who is serving in the reserved field may retire on a proportionate pension. Now, Sir, this possibility has come into existence in the past ;—suppose Parliament should see the wisdom and justice of introducing provincial autonomy within the next twelve months or two years in this country—just think how many retirements may possibly take place. And if at the same time there is responsibility introduced into the Central Government, as we, Indians, earnestly desire it should be introduced and as we hope it will be introduced, then imagine how many retirements there might be. And if many members of the Civil Service should in those circumstances suddenly retire from the Service, shall we not be left in the lurch to find men to take their places ? It will not be at our initiative that they will retire, but suppose they are allowed the privilege of retiring in those conditions and suppose they do retire, we shall then certainly be left in the lurch. Therefore let us look facts straight in the face. The facts are that the introduction of responsible government, even to the extent to which it has been carried out in India, has altered the aspect of the Services. There are Englishmen who are willing to reconcile themselves to the new state of things. We honour them ; we are grateful to them. There are other Englishmen who do not find it compatible with their temperaments or their ideas to continue to work under the new conditions. We do not quarrel with them. They are entitled to hold those opinions. But if they want to retire, we do not want to be exposed to the situation that after we have paid for their services all these years, they should leave us when the country may be most in need of their services. For this reason also is our proposal

for stopping recruitment in England put before the Government. I beg the Government to consider it seriously. Let them not be under any misapprehension that by stopping recruitment in England there will be a disaster brought on this country. My Honourable friend, Mr. Willson, asked that there should be a stable Government. Certainly there will be a stable Government. The Honourable Sir Charles Innes said that the one thing which he and his friends wanted really to hand over to India was a strong, efficient, incorruptible Service when the time came to hand over the power to Indians. At least that is how I understood him. Now, Sir, we are at one with these Honourable Members. We also want a stable Government. Will these friends allow me to say, without meaning any disrespect, that our anxiety for a stable Government is certainly not less than that of either my esteemed friend, Mr. Willson, or of the Honourable Sir Charles Innes. We have a deeper stake, if I may say so, in the country, and we are not altogether devoid of commonsense that we should like to disturb a stable Government without having the power to establish stability and carry it on. Let there also be no apprehension that any vested interests will suffer. My friend, Mr. Willson, spoke of British vested interests. I know them, we have no quarrel with them; I assure my friend that no vested interest will suffer if my friends will also be just to us and let us have an opportunity of promoting our own interests at the same time. We know that the Indian Civil Service has done a good deal; I agree with my other friends who have spoken before me about the highly meritorious work done by that Service. I acknowledge with gratitude their work in the field of education—though we wanted more and wider education; I acknowledge the general high standard of justice which they have established; I acknowledge the many other institutions of a beneficial character which they have brought into existence. I acknowledge with gratitude what has been done in the Punjab in the field of irrigation. But at the same time let my friends not misunderstand us if we also point out to them that we have laboured under certain serious disadvantages because of the preponderance of our English fellow-subjects in the Civil Service. While we feel grateful to them for what they have done, we feel that a great deal more would have been done if Indians had been associated in a much larger measure in the Services.

My Honourable friend, the Home Member, though he put the whole case for the Government and the Services in an admirable manner, unfortunately referred to the communal differences which divide us. My friend, Sir Charles Innes, emphasised that point. Now, I want to put it to them, without the least intention to offend any member of the Indian Civil Service, if it is not a great condemnation of the work of the Civil Service that after the seventy years that they have been in full power in this country it should be possible to have such unfortunate, regrettable, deplorable differences as arise from time to time between Hindus and Muhammadans. Is it possible that if the education of the masses had been undertaken on the right scale, such strifes and such deplorable riots of which unfortunately we have had too many, recently, would have ceased to happen? Now, Sir, we Indians have been pressing for forty years that the masses should be educated; every sensible man knows that the education of the masses is the one lever which lifts them up in judgment and in restraint of temperament. Even in England when the masses were undeducated, there were most

deplorable riots, and to-day riots take place, they are due to want of education among the masses. (*An Honourable Member* : "What about Ulster ?") There has been a perversion of human nature owing to certain conditions in Ulster. For forty years we have pleaded, implored the Government to introduce universal primary education. The Government have not listened to our request. In January 1912 when His Majesty the King-Emperor was in India he expressed his desire that there should be a net-work of schools and colleges spread over the whole of the country, and he said that it was by education alone that the condition of his subjects could be lifted. A few months later in the same year, my dear departed brother, Gopal Krishna Gokhale, brought forward a Bill of a permissive character to allow compulsory primary education to be introduced in certain selected areas. Unfortunately the members of the Civil Service along with others opposed it, and the Bill was not passed. Years have gone by ; crores upon crores of rupees have been found for the military requirements of the country ; crores of rupees have been found for everything which the Government decided to do ; but education has not yet been brought home to the people to one-fourth, or one-fifth or even one-sixth of the extent to which it ought to be done. I submit there should be a little searching of heart among my friends of the Indian Civil Service to see if they are not responsible for the present deplorable state of things, when they speak of communal differences. I submit, Sir, that, if the right kind of education had been provided, even my Honourable friend, Mr. Abul-Kasem, would have looked at the question before us in a different spirit and would have spoken in a different spirit. It is a matter of severe distress of mind to us Indians—I cannot believe that it can be a matter of satisfaction to any sober-minded member of the Indian Civil Service,—that after so many decades of the existence of such a fine service in this country, an Indian of the education of my friend, Mr. Abul Kasem, should still not be able to take the correct view in regard to national questions. The conditions created are not healthy.

Let me now come, Sir, to the question of the depressed classes. I was more surprised even than by the reference to communal differences, when my esteemed friend, the Honourable the Home Member,—I am sorry to say so, because I have real respect for him—Oh, I beg his pardon, it was the Honourable Sir Charles Innes, the Member for Commerce—when he reminded us of the depressed classes in Madras and elsewhere. Now, Sir, I make a bet that, if a verdict of any three impartial Englishmen selected by common consent by Sir Charles Innes and those who think with him and my friends on this side will express the opinion that the Indian Civil Service have not failed in their duty to the depressed classes, I will certainly not vote for the amendment of my friend, Pandit Motilal Nehru. Let me say this, Sir, that while there has been a great deal of lip sympathy expressed by many of my friends among the European members of the Civil Service with the depressed classes, they have not used all the opportunity and power they had to lift them up by the strong hand of fellowship, beyond and above their present economic condition, which is at the root of all the degradation they still suffer. If education had been promoted among them, if they had been given the same equality of opportunity which has been available to members of other communities, a great deal of difference would have been made in their condition. I recognise that some schools

have been opened in every province for the depressed classes. I recognise that some encouragement has been given to them. I express gratitude for that which has been done. But I say, Sir, with great confidence and deliberation that the problem of the depressed classes would be solved if Government would set apart a few crores of rupees every year in order to promote education among them. A member of the depressed class who has read up to the Entrance examination comes and sits with the sons of the most orthodox Hindu in the Hindu University of Benares and in Hindu assemblies. The question of untouchability is a question to a large extent of education and economic condition, and I say with great regret that my friends of the Civil Service have not done for the depressed class all that it was possible for them to do. We want an opportunity to do so. The Assembly is aware, Sir, that at this moment a very strong effort is being made in all parts of the country, under the inspiration of my esteemed brother, Mahatma Gandhi, to lift up the depressed classes. A great deal has been done and I expect that in twelve months or so we shall have solved the problem of the depressed classes by universal education for all people in India : that will improve the depressed classes also. And I suggest conscription, or military training, for all who wish to take it. I guarantee, Sir, that there will not be a Hindu of the orthodox type who will not sit with a member of the depressed classes as a brother and a fellow-citizen if he has been educated. I submit that at least the responsibility for these shortcomings which exist at this present moment in the administration of this country should not be thrown upon our shoulders only, that it should be recognised that we have not had the opportunity or the power to remove them. We have tried to do so. We have passed Resolutions year after year and we have put them before the Government. Government have not done their part. Now we want that we should have our innings. Our friends have had a very long innings. I ask in fairness that they should play the game, that they should like true sportsmen concede that we should now be put in power and that we should be trusted and tried. If we fail, it will be open to Parliament, while our relations last as they are at present, to withdraw the powers that have been conceded. No one has suggested that India should become separated from the British Crown on responsible government being established here. We are asking for responsible government under the Crown. We want Dominion status and not the status of a separate Commonwealth, or a separate State. We do not want that any single member of the Indian Civil Service at present working in the Service should retire. We do not contemplate that there should be no Englishmen left in the Services as soon as the recruitment is stopped. If the recruitment is stopped all the present members of the Services will continue in office and we are sincere when we say that we should take in Europeans whose services we may require in the future on shorttime contracts. For a long time, for nearly 150 years, the Englishman and the Indian have lived together in this country. We are not anxious to separate from the Englishmen in this country and part company with them ; but we are anxious that Englishmen should treat us Indians as equal fellow-subjects, and let me assure them that if they will do so there will be no occasion for them to complain. This is the position. It is therefore that we urge that the Government should agree to recommend to the Secretary of State, in view of the unanimous feeling in this House,

the almost unanimous feeling among Indians, that recruitment in England on the present system should stop. I hope the Government have taken note of the fact that my Honourable friend, Sir Sivaswamy Aiyer, my Honourable friend, Sir Chimanlal Setalvad, and we of the Swaraj and Independent parties, and my Honourable friend, Dr. Datta, who made a very fine speech to-day in the presentation of the Indian case,—that we are all agreed about one thing, namely, that future recruitment in England should be stopped, and I hope that the Honourable the Home Member will be good enough to represent this unanimous feeling to the Secretary of State on this question of further recruitment. The second point of which I hope the Honourable the Home Member has taken note is that we are all willing that if this recruitment is stopped and thereby financial relief is given to the tax-payer of India, we shall go into any legitimate complaints or representations which the members of the Civil Services may make. And if we do not accept the Resolution of the Honourable the Home Member to-day, let it not be said that we have thrown out the proposals altogether. If our position is represented correctly, I hope the members of the Civil Services will not have much reason to grumble and complain. My Honourable friend, Mr. Hudson, said that our amendment will delay the matter. Delay it will, but it should be remembered that the members of the Civil Services are not starved. They have got very handsome salaries, they are enjoying the additional salaries given to them in 1919-1920. Some of them may be inconvenienced for a time, but I am sure that if the matter is looked into by a committee of this House relief can be given at an early date and they will not have to wait long if the matter is agreed upon between Government and this House. I hope that the Honourable the Home Member will be good enough to represent our case fully and strongly to His Majesty's Secretary of State and the British Cabinet. But, of course, Sir, we cannot be sure what the response to it will be and what consideration our representations will receive from His Majesty's Secretary of State. We are at present in this unfortunate position that, though we vote the taxes by which the administration of this country is carried on, we have no power to prevent a large addition being made to the burdens of the people by the powers which the Secretary of State enjoys. This is an anomaly, an injustice. Whatever may have been the justification for it in the early days of British rule, there is absolutely no justification for it when a representative Assembly has been constituted, and therefore it is desirable in the interests of justice that the Secretary of State should agree to transfer the powers of appointment and control over all the All-India Services to the Government of India acting in consultation with this Assembly. I hope that our proposals will be regarded as reasonable by the Government of India as well as by the Secretary of State. But whether they are or not, I hope we have made our attitude clear, and the whole of India will know it, the whole of the civilised world will know it, and we are content to stand by the verdict of the country and of all impartial critics.

The Honourable Sir Alexander Muddiman : It is three days since I last addressed this House and during that period the House has been considering the amendment of my Honourable friend opposite. The hour is now late. I therefore do not propose to detain the House very long, more particularly as the Government have been largely represented

in this debate and there is really very little for me to say in winding it up. First of all, however, I should like to say that I have been struck by the tone of most of the speeches. The subject is one that might lead to an embittered debate but I certainly think that on the whole, with one or two exceptions, the debate has been continued in a very good spirit. I am not very familiar with this House but I understand it is sometimes less calm than it has been during this debate. In the first place I have to answer a question which was put to me by Colonel Gidney and Colonel Crawford. It was as to whether we intended to include in the word "Indians" all statutory natives of India. Well, Sir, that is our intention. It was so intended. Now this debate has proceeded so long that I think the House may perhaps almost have forgotten the terms of my Resolution. The weight of the debate appears to me to have been directed to this point. It has been contended that these proposals of the Lee Commission in so far as they relate to the statutory control of the Services constitute not merely no progress but a definite obstacle to progress in the way of constitutional reform. That, I submit, is not right. You cannot fairly say that. They go a long way in the matter of constitutional reform. They transfer to the Provincial Governments and the Provincial Governments on the transferred side, that is to say, the responsible Ministers, a large number of these Services. You cannot say that it is not progress. In the Educational service, and I observe that that is the department of Government to which my Honourable friend, the Pandit, particularly invited my attention since he charged the I. C. S. with not having care for Education, you will be master in your own house. It will be for you to appoint such officials and of such kind as you think fit. Whatever may have been the faults of the I. C. S., and I will not weary the House with instances, to the contrary, I contend the education of India has not suffered from the malignant influence of the I. C. S. Still whatever in my Honourable friend's opinion those faults might have been in the past, that at any rate is remedied. You will have your own officers and such as you desire. Similarly in the other transferred Services. Therefore, it is not really fair to say that this is no progress. Then I ask in what way does the Report block constitutional reform? The objection of the House, as I gather it, is that the control of the Secretary of State is maintained. What other position is possible under the laws as they stand now? Moreover that, I submit, clearly has established my point. That these proposals of the Lee Commission with regard to the control of the Services are an advance, not, I admit, as large an advance as the House wants but still a great advance. Nor do they offer any obstacle to further constitutional reform. I shall refer to the question of Indianisation. I gave the House some figures on this and possibly the House has forgotten them. There are roughly 4,000 All-India appointments at present. Of these 1,300 will be provincialised. Now, from the tone of the House and the debate it seems to me quite clear that in the future those 1,300 appointments will be filled by Indians. That seems to be the general view of the House. I gather you would only employ such Europeans in these Services as you could not obtain in the country, presumably experts mainly. However, I am not quite so sure about that. When the Ministers come to formulate their own policy they may possibly take a different view. Still, that is 1,300, on your own showing, that will be Indianised. Then what about the remainder? There will be 50 per

cent. at least and generally more. That is a big increase, a great increase. It is no use blinking the facts. It is a great step forward from your point of view.

Then the next point made in the debate as far as I can recall was this question of the stoppage of European recruitment. It was said, and I felt it would be said, that we should stop this to accelerate Indianisation. Well, Sir, if you stop it at all you have to stop it altogether. Now I submit that in the present state of India a certain number of Europeans are essential. I speak as the representative of the Government of India. We are responsible for the efficiency of the Services. We have the lamp to carry on. We have to hand it on to our successors. If they do not want Europeans, and if any new constitution gives them the power of decision, they will not have them; but as far as our responsibility is concerned, as long as we stand here, we cannot take any step which in our opinion would be either dangerous to the Services by proceeding with too rapid Indianisation—we are Indianising rapidly—or which would produce any deleterious or dangerous effect upon the country. That is my position. It is not our wish, and I tried to make it clear at the first,—we do not want Europeans in India in order to find jobs for them. I tried to make that perfectly clear. We want them, because we consider, rightly or wrongly, that they are necessary in the best interests of the country. It was said that you have enough Europeans in the Services and you can carry on with them. Now if you stop European recruitment—and I have not heard a single answer on this one point—you very seriously affect the European still in the service. Some one asked the question of one of my Honourable Colleagues as to how many retirements on proportionate pension there had been, and I think he suggested that there had been 20. The number is actually 324 in the four years 1921—1925. That is a very big proportion indeed. (*A Voice* : “ Outside the normal retirements ? ”) Yes, outside the normal retirements.

Now I wish particularly to mention the speech by my Honourable friend, Sir Chimanlal Setalvad. He has worked with the Services and recognized, if I may say so, in very warm terms the relations that had existed between him and his subordinates. He further made a proposal which is in many ways attractive, at any rate to the Services themselves. But the Government of India cannot consider it for it is not possible to shut down your services. If you stop recruitment you finish with it. You cannot reopen it. It is no use arguing that you can.

Mr. M. A. Jinnah : I am loath to interrupt the Honourable Member, but so far as I am concerned I did not say that. My point....

The Honourable Sir Alexander Muddiman : It was Sir Chimanlal Setalvad I was referring to.

Mr. M. A. Jinnah : I know, but I want to make my position clear so that the Honourable the Home Member may reply to it. My point was, stop further recruitment under the present system and you can employ Europeans if necessary by short period contracts.

The Honourable Sir Alexander Muddiman : I am glad the Honourable Member has raised that point. Now short period contracts may be quite excellent for experts. They are quite useless in a service. What is your short-time man going to do employed as a policeman ? When he

has done his five years here he is valueless except in the job which he holds. The only asset an administrative officer has got is his experience, and his experience in India is of no use elsewhere and indeed that is often a positive disqualification. It is perfectly true you can have these contracts with a railway man or a man in a technical job ; you cannot do that with the ordinary Services.

Now, Sir, the only other point I wish to refer to in this debate is this—the question of the pay, passages and pensions of the Services ; that really has been more discussed than anything else. It has been recognized by many speakers that there is a case for the Services—one or two speakers said that the Services should get what is recommended. But the bulk of the debate has really been on this—whether you are going to do anything at this stage without another inquiry, whether you are going to treat the Report of the Royal Commission as merely *prima facie* ground for holding an inquiry. Well, Sir, I have a great faith in the wisdom of the Indian Legislature, a great faith in the wisdom of the Members who compose it ; but I do not believe that a Committee drawn from that body, is likely to come to more wise conclusions than a Royal Commission which has already sat. That Commission, as we have been told, spent 5½ months in interviewing officers and went all over the place : and as this House, I am quite sure, would not hold a less rigorous inquiry, a less careful inquiry, and would insist on evidence and would require to take evidence, it would therefore occupy indeed at least as long, and probably longer, for it has been one of the charges against the Royal Commission that its inquiry was held too rapidly and in too summary a manner. The case of the Services has been admirably stated in several quarters. My Honourable friend, the Finance Member, in very eloquent terms has shown that the redress of their grievances has been long delayed. Now Finance Members are rarely to be found in that mood ; and on this occasion it suggests itself to me, it may suggest itself to the House, that the case of the Services is a very strong one. Now I notice my Honourable friend, Pandit Motilal Nehru, recognised that if one goes into Government service, some special attraction is necessary. Did I not hear him say that ? If he took Government service he would claim double fees.

Pandit Motilal Nehru : I had in mind the profession of the law and was referring to professional fees.

The Honourable Sir Alexander Muddiman : I wish I was in the profession, Sir. I am not going to enter into the question at this late hour of the night, as to the failure of the British Government to educate my Honourable friend opposite or even to touch on the question of the depressed classes. I feel a member of a depressed class myself. I would merely ask the House to remember what Mr. Patel said. What are we going to vote now ? With his usual bluntness, he explained to me and to the House generally, exactly what this amendment means. Now if you vote for it you are going to vote against provincialization, against such measure of Indianization as the Report recommends, and against the relief of the Services. On that, Sir, I am prepared to take the judgment of this House.

Pandit Motilal Nehru : We are willing that the House should vote on measures of Indianization ; we have formulated our own measures, our own proposals, in clauses (1), (2) and (3) of Part I of the amendment.

The Honourable Sir Alexander Muddiman : I agree, Sir. I accept the correction. I should have said such measure of Indianization and provincialization as is recommended in the Report.

Mr. President : The original question was :

“ This Assembly recommends to the Governor General in Council :

(1) That the following recommendations of the Royal Commission on the Superior Civil Services in India be in principle approved :

(a) that while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields, the following services operating in transferred fields, namely, the Indian Educational Service, the Indian Agricultural Service, the Indian Veterinary Service, the Buildings and Roads Branch of the Indian Service of Engineers in those provinces in which the two branches have been separated, and the Indian Forest Service in Bombay and Burma, should so far as future recruits are concerned be appointed and controlled by Local Governments ;

(b) that recruitment of Indians for the Services in reserved fields should be increased as recommended ;

(c) that, having particular regard to recommendation (a), early steps be taken to constitute the Public Service Commission contemplated by section 96-C. of the Government of India Act, and to enact such legislation as may be necessary ;

(2) That pay, passage, concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended ; and

(3) That the recommendation of the Royal Commission regarding the constitution of Provincial Medical Services in Governors' Provinces be accepted in principle subject to :

(a) the employment in the provinces of an adequate military reserve :

(b) the provision of adequate medical attendance for British Officers in the Civil Services and their families ; and

(c) the further consideration of the conditions necessary to secure an adequate number of British medical recruits for the needs of the Army.”

Since which an amendment has been moved :

“ That for the original Resolution the following be substituted :

‘ PART I.

That having regard to the following among other facts, namely :

(a) That the Royal Commission on the Superior Civil Services in India was appointed and allowed to enter upon its functions in utter disregard of the Resolutions passed by the first Assembly.

(b) That all questions affecting the Civil Services are inseparably connected with and entirely dependent upon the larger question of the grant of responsible government to India and cannot be entertained and satisfactorily dealt with unless and until the Resolution of this House on responsible government adopted on 18th February 1924, is substantially complied with.

(c) That the terms of reference to the said Royal Commission and the recommendations made by it involve the perpetuation of an antiquated and anachronistic system of public services without any attempt to reconstruct the administrative machinery to suit the present day conditions of India which are widely different from those prevailing when it was inaugurated.

(d) That the said terms of reference to the said Royal Commission and the recommendations made by it are based on the unwarranted assumption that the existing system of Government both Central and Provincial and the present position, powers and functions of the Secretary of State, the Governor General and the Governors of Provinces would continue indefinitely.

- (e) That some of the recommendations of the Royal Commission are intended to deprive the Legislatures even of their existing powers by suggesting devices to transfer items of expenditure hitherto subject to the vote of the Assembly and the Provincial Councils to the head of non-votable items.
- (f) That the said recommendations have introduced racial discriminations in the treatment of the All-India Services.
- (g) That the said recommendations make the extraordinary provision that officers appointed to the All-India Services after 1919 as also those to be appointed hereafter shall have guarantees against and compensation for being transferred from the reserved to the transferred field of Service—a contingency which they must be taken to be well aware of when they were appointed.
- (h) That the recommendations of the Commission regarding the Medical Services are entirely unsatisfactory in that (1) they seek to perpetuate the complicated system of interdependence of the Provincial Medical Services upon the irresponsible Military Department; (2) they introduce the objectionable principle and a costly scheme of provision for medical assistance to Europeans on a racial basis; (3) they do not recognise the necessity of the Indian units of the Army being officered by Indian medical officers; and (4) they propose to absorb the present Indian Medical Service into the Royal Army Medical Corps (India)—a step which will practically close the door to Indian medical men in the said corps and thereby also in civil employment.
- (i) That the inquiry held by the Royal Commission has been unsatisfactory in that the bulk of the evidence on which the bald recommendations of the Commission are based was allowed to be tendered and accepted in camera and no material evidence is either indicated or made available to this Assembly.

This Assembly recommends to the Governor General in Council that the recommendations of the Royal Commission on the Superior Civil Services of India be not accepted."

I propose to put that first. The question is that the substitution be
7 P.M. made for the original Resolution.

Mr. President : As the Government Resolution has now been defeated, it is not necessary to put the next four lines, and I will take the substantive proposal. Further question moved :

" This Assembly further recommends that the following steps be taken in respect of future recruitment and control of the Services, namely :

- (i) That all further recruitment in England for the Civil Services in India including the Medical Service under the existing rules be stopped.
- (ii) That a Public Services Commission be established in India and the constitution and functions of that Commission be determined on the recommendations of a committee elected by this Assembly.
- (iii) That His Majesty's Government be requested to take the necessary steps for the purpose of transferring the powers of appointment and control of the Services now vested in the Secretary of State to the Government of India and the Local Governments, such powers to be exercised under laws to be passed by the Indian and Local Legislatures regulating the public services, including the classification of the Civil Services in India, the methods of their recruitment, their conditions of service, pay, and allowances and discipline and conduct."

Mr. President : Further question proposed :

PART II.

" This Assembly is unable in view of the present financial condition of India and on the materials before it to satisfy itself as to the propriety and reasonableness of the recommendations of the Royal Commission in respect of the alleged grievances of those at present holding office in the Civil Services, and cannot with due regard to the interests of the tax-payer assent to the imposing of fresh burdens on the already over-burdened finances of the country ;

But in view of the financial relief that will result from the stoppage of all recruitment outside India under the existing rules as recommended above in Part I ;

This Assembly is prepared to consider the alleged grievances of the present incumbents as regards pay, passages, concessions and pensions and recommends such measures of redress as may be found necessary and for that purpose it recommends to the Governor General in Council to take steps for the election of a committee by this House to enable them to go into the entire question on all the materials available to the Royal Commission including the evidence taken in camera or such other material as may be available and to make its recommendations to this House as early as possible.''

The motion was adopted.

Mr. President : The question is that this Resolution be the finding of the House.

The motion was adopted.

18th September, 1924.

RESOLUTION *RE* SUSPENSION OF THE TAXATION INQUIRY COMMITTEE AND SUBSTITUTION OF AN ECONOMIC INQUIRY COMMITTEE.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : Sir, the Resolution I have the honour to move runs as follows :

“ This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income.”

With your permission, Sir, I will add this clause following, which was in my original Resolution but which was cut out. This alone will probably bring out the Resolution in full. I would add at the end :

“ to ascertain if the people can bear the burden of taxation now imposed.”

The Honourable Sir Basil Blackett (Finance Member) : Sir, I have had no notice of this addition to the Resolution. I had no idea that it was going to be moved, nor is it contained on the notice paper. I am not quite sure that it is in order.

Mr. President : I have permitted Honourable Members before now to make what I may call verbal alterations in the Resolutions they move. I think the Honourable Member must put the Resolution as it appears on the paper. There is an amendment in the name of another Honourable Member which may possibly bring into debate the subject which is suggested in this additional phrase.

Mr. K. Rama Aiyangar : Sir, I may point out that my original Resolution contained these words, and I thought I had your permission to put them in.

Mr. President : Mr. Secretary informs me that the Honourable Member was informed then that he would have to seek the permission of the Chair on the floor of the House.

Mr. K. Rama Aiyangar : All right, Sir. There are amendments standing in the names of others, and the matter will not be overlooked. But, however, practically I think the object of the Resolution is to see that the burden of taxation is also considered with reference to the inquiry asked for by this Resolution.

Before dealing with this Resolution it will be necessary for me to refer to certain debates in the other House to avoid considerable length in my argument. I wish to place those points before this Assembly because they are a thorough examination of the points of difference between the Government and the Council of State and in respect of this matter will bring out in relief the need for the Resolution being accepted as it is. With that view and also to condense my speech I propose, Sir, to refer to the discussions that took place in the other House in connection with this matter. In 1923 on the 23rd of July the Honourable Sir Maneekji Dadabhoy put forward a Resolution in the Council of State to this effect :

" This Council recommends to the Governor General in Council that an inquiry be made into the whole system of taxation in India with a view to its thorough examination on an economic, equitable and scientific basis with special regard to the taxable capacity of the people."

That was the Resolution that was moved, Sir. And in fact that gentleman has gone into the whole of the previous history relating to this matter, the nature of the taxation that now prevails in this land, the taxes which he thinks are too much and oppressive and other sources of taxation which he thought were not sufficiently tapped. He summarised the whole of his speech at page 1649 of that report, where he refers to what he means by that Resolution. He says :

" This inequality in Indian taxation is due to a three-fold reason. In the first place in imposing taxes little thought is given to the taxable capacity of the people. The only scientific basis of taxation is a just and careful estimate of the taxation and taxable capacity of the people, but no attempt has up to now been made to gauge this capacity."

Again, later he goes on :

" Taxation to be scientific ought to be upon the sure and sound foundation of a proper estimate of the taxable capacity of the people, the necessary preliminary of which is a scientific estimate of the average annual individual net income. It must be remembered that the limit of taxable capacity is not a stable fact and fluctuates in response to the manner in which taxation is based."

Again, he goes on :

" The taxable capacity of the average Indian as also of particular classes should be determined with care."

And he finishes with this statement :

" The incidence is the great point in scientific taxation and too much care cannot be taken to equalise it as far as practicable."

In referring to the incidence he sums up :

" Some of the taxes are thus specially burdensome to the poor and some, like forest duties, excise duties and canal charges, are practically only paid by the poor. In these circumstances the contention is legitimate that Indian taxation is unequal in incidence, that is, a larger proportion of the poor man's income is taken in taxes than that taken from the rich man's income."

That is how he finishes. Of course I only draw attention to this particular feature. In fact the Honourable Sir Basil Blackett was not at that debate, but Mr. McWatters on behalf of Government has dealt with the whole thing fully, and he points out the mistakes made by the Honourable Mover of the Resolution. He points out also that this is a matter in which the Provinces and the Central Government should work together to find out the full details of the position and arrive at equitable taxation. In the course of his remarks, he also says—that was the Government

view as put forward then and therefore I take it the position is clearly this—this appears at page 1662 of the Reports—that :

“ The incidence of taxation has now been disturbed, both the incidence as to different classes and sections of the population and as to indirect sources of taxation. This is only one part ; I have mentioned already the necessity that Local Governments are put to find increased revenue to meet special national services ; I have mentioned the new orientation in our tariff policy ; I have mentioned the threat to the excise revenues : surely all these things point to the necessity not only of equalising existing taxation but also of broadening its basis and finding new sources.”

And then, going on, he says :

“ We have addressed Local Governments and invited their co-operation in a comprehensive and scientific inquiry into the whole question of Indian taxation.”

He says later :

“ The main problem is an adjustment of taxation to meet national needs and on a basis suited to the taxable capacity of the people and each section of it. The inquiry should be as wide as possible.”

And referring to the question of the cost of this inquiry, he says :

“ The only answer to that is that it is hoped at any rate that this inquiry will be a remunerative one.”

That is the position taken at that time by the Government of India. Of course it was pointed out that the Resolution was accepted by the Government, though later on things ended in a different way. He says :

“ I am, therefore, prepared, Sir, to accept the Resolution on behalf of the Government inasmuch as it leaves the scope and the method of the proposed inquiry entirely open, to be considered after we have received replies from the Local Governments.”

Therefore it will be seen that the Mover insisted on this economic inquiry as a condition precedent to the taxation inquiry. It is clear also that the incidence of taxation was one of the grave questions that the Government considered at that stage, to be necessary to be determined by inquiry and they were prepared at that stage to accept the Resolution of the Honourable Sir Maneekji Dadabhoy. Of course it appears in the course of that discussion that the correspondence had been started previous to the discussion between the Government of India and the Local Governments, and it was pressed on them that that inquiry should be as wide as possible—this was the position taken on behalf of the Government, because we find this from the announcement relating to the acceptance of this Resolution in that form. I probably would not be correct if I did not refer to the final disposal of the matter, so that it may not be said that I did not bring it to the notice of this Assembly. At the end what they did was that “ further consideration of this Resolution be postponed till the replies to the inquiries stated to have been made to Local Governments had been received.” Of course this does not affect the position I have taken. When they got the replies from Local Governments, they were prepared to accept the Resolution put forward by the Honourable Sir Maneekji Dadabhoy, and that inquiry related to a full inquiry into the incidence of taxation and the economic condition of the people, and it was to be as wide as possible, so that the taxation was to be made scientific and it was to be made not to press on any section of the people unduly—a point that would need to be considered—so that it might not be an ordinary inquiry, as had been thought of at the time the Taxation Committee was formed. However, the announcement relating to this Committee on Taxation was made during the course of a Resolution which had been moved by the Honourable Mr. Phiroze Sethna in the Council of State on the 4th February of this year. In fact Mr. Sethna proposed the inquiry to be

into the economic condition of the people of India, and the wording of the Resolution ran thus :

“ This Council recommends to the Governor General in Council that a Committee consisting of a majority of non-official Indians be appointed to make a full and detailed survey of the economic conditions of the people of India, with special reference to the condition of the agricultural population, with a view to finding out the average annual income per head of the population, particularly of the agricultural population, and to inquire into and report on the measures that should be adopted to reduce as far as possible the existing distribution of poverty in the country and to raise the average economic level of the masses of the people.”

That was the Resolution that was moved. In my speech, Sir, I do not take his line, and I do not place the whole history of the fight relating to this matter of the poverty and misery of the peoples of India from the time of the Grand Old Man, the late Dadabhoi Naoroji and very many other revered names of this country which had been referred to by him. The whole matter had been put forth and the speeches and writings of Western and Eastern scholars have been quoted at length. I think it would be unnecessary for me to go into all that. At last, the admission in Professor Rushbrook William's latest book is referred to where he says that “ the majority of the population of British India is helpless beyond Western conception.” The case has been fully put forth and arguments given, and I therefore think it unnecessary to go into the whole thing myself. But the point that I want to place before this Assembly is this. The position of the Government of India in respect of that Resolution ended with a statement that was made by the Honourable Sir Basil Blackett at the close of his speech. I wish to refer to that statement before I refer to the Honourable Sir Narasimha Sarma's statements on this question. This is found at page 73 of the report where Sir Basil Blackett says :

“ But that Committee will conduct its investigations in the light of this discussion, and it will certainly be the Government's duty to see that the views expressed on all sides of this House are carefully considered by that Committee in so far as their inquiry touches this question.”

I read that for the purpose of referring to the other statements made by the other Members on behalf of Government, only to show that practically what I am now asking for has been conceded (*The Honourable Sir Basil Blackett* : “ Hear, hear ”), for the Committee according to the Government has been appointed to go not into this question of taxation alone, but also into economic conditions. Of course there might be points which might be excluded from the inquiry—I am going to deal with them later because I am going to urge that those points cannot be excluded from the scope of the inquiry without serious waste of money and sacrifice of the interests of the country. When almost the whole task I want done is going to be done by that Committee, and if they have to collect all the necessary information in respect of all the points raised in the course of those discussions, the work that will have to be done will practically be the work that I am now asking for. My request will make it a more thorough, a more complete inquiry ; therefore I am now referring to the statements made by the Government Member who was apparently in charge of this Resolution at the time Mr. Sethna's Resolution was moved, I mean the Honourable Sir Narasimha Sarma. In the course of the Honourable Mr. Sethna's speech in connection with this matter, he dwelt at length on the various statements made in respect of the taxable capacity of the people and the income per head of the population. All

views were put forth by that Council and in reply the Honourable Sir Narasimha Sarma said :

"The Government were not idle after the 1902 Inquiry but did institute a comparison or attempted to institute a comparison in 1911. And, if I mention a figure, it is not for the purpose of stating that the Government are satisfied that that figure is correct or that the public should consider that that figure is an authoritative figure which the Government are prepared to justify ; but from all that I have been able to see, it seems to me a reasonable figure and the calculation shows that about Rs. 72 per head was the average income in 1911. And, if we take the rise in prices to be 50 per cent. after the war, then it can be fairly argued that the income is about Rs. 100. But I have already warned the House that these are figures which are not put forward by the Government, but that they are figures which, *prima facie*, seem to be deducible from certain data which have been furnished to us by officers,"

He goes on :

"but which are still under scrutiny, still under observation both as regards the methods and the criteria which have been employed. I have only mentioned them for the purpose of illustrating how difficult a subject it is and also how useless it is to arrive at averages."

Then, he goes on :

"The question of an inquiry came up for consideration recently, because the incidence of taxation is a very important problem both for the Provinces as well as for the Central Government, and the Government after careful consideration have arrived at the conclusion that it is desirable in the general interest to institute an inquiry primarily through experts for the following objects."

Then the announcement as regards the terms is made, but I will refer to it later on. He then goes on to say :

"The terms of reference to the Committee are intended to comprise an instruction to institute such an inquiry into the economic conditions of the people as it may consider necessary for the purpose of its report, and in addition the Committee should report on the adequacy of the material already available and should make suggestions as to the best manner in which it may be supplemented and the agency necessary for a wider economic inquiry.....and they would also report upon what they consider should be a suitable agency for the purpose of a wider economic inquiry such as is contemplated by the Honourable Mr. Sethna."

Further on he says :

"It is possible that a good deal of material would be collected by this body and the material placed at our disposal may not require considerable supplementing. If so, we can proceed straightaway to a consideration of the object we have in view. But if it is not so, they will be able to tell us how to proceed, what further material has to be collected, who is to collect it, what further steps should be taken and who should be employed, and what the agency is that should be employed for the purpose of instituting the wider inquiry. The Government do not want to shut out the wider inquiry."

Of course the Honourable Sir Basil Blackett in the course of his speech admits what he had been saying in another place, that he also is very much concerned. He says :

"It is also relevant inasmuch as, regard being had to the desirability later on of this broader inquiry which the Resolution proposes, it will be an instruction to the Committee that they should pay particular attention to examining the statistics that are at present available and to the possibility of improving the statistics and the agencies through which such statistics should be obtained with a view to helping in the inquiry which this Resolution desires..... The existing poverty of a large number of the people is obviously also very great, and no Government can with equanimity look on and not wish that they could do something to improve it."

I want to quote a few words more from his own speech.

"I do think that by these means we may get away from this continual difficulty which really keeps India poor, namely, that she continually lives up to the level of subsistence..... They will meanwhile, we hope, be going on with the expert Committee on Taxation and thus be able to arrive at some means of meeting the object of this Resolution, which is to raise the average economic level of the masses of the people."

I read all this to avoid considerable unnecessary discussion, if possible, in this House, so that we see where we are. The Government feel also that this wider economic inquiry is essential. In fact at one time they practically promised it by agreeing to accept the Resolution which was moved by Sir Maneckji Dadabhoy.

The Honourable Sir Basil Blackett : No.

Mr. K. Rama Aiyangar : I read that particular passage. Of course it cannot be said that they were prepared at that time to have the doors of the inquiry open for all that I suggest. There is care taken to put in language which might leave a discretion to shut out a portion of the inquiry. But the object and sincerity of it expressed in the course of the speeches made by Government Members would make it clear that they did not want to burke any side of the inquiry which was needed for arriving at a conclusion for a *scientific and equitable* method of taxation. I insist on these two terms, Sir, because they are the basis of the Resolution of Sir Maneckji Dadabhoy which was intended to be accepted. But I do not think anywhere in the attitude taken by the Government they have questioned this. In fact, I did read that portion of it. Sir Basil Blackett refers to the primitive stage of Indian taxation. He refers to it as crude and he wants to substitute a scientific method. (*The Honourable Sir Basil Blackett : "More scientific"*) I dare say it must be a more scientific and equitable method, otherwise the great financial authority now in power would not have discharged his duty. If he has made up his mind to see that he does what he said before he hands over charge, it will be something which will considerably add to the position of India as a progressive nation. As regards the terms of reference, Sir, I beg to submit that from what I have indicated it will be very well seen that the Honourable Sir Narasimha Sarma referred to a lot of records in the possession of the Government both in the Central record office and in the provincial record offices; he referred to a lot of literature and statistics which would enable the Government to come to a conclusion on these questions. And, as I said, if only the Honourable Sir Basil Blackett wants to arrive at a scientific method with the materials available, it would be more satisfactory to deal with the problem, and he and his Assistants in the Finance Department of the Government of India, with the officers of the Finance Department in the several Provincial Governments, could immediately take steps to put our taxation on a scientific basis and place the proposal before this House, or if they themselves have the power to place it in the form of a Statute on the Statute-book. That would be, in fact, commanding much greater confidence than the Inquiry Committee which is now sought to be sent out with a scope which is, as I will presently deal with, not at all to the satisfaction of the Indian public, or for the matter of that, could not be to the satisfaction of any public. One or two incidents that happened subsequent to this have to be referred to also before I take up the wording of the Resolution itself. It was after the appointment of the Taxation Committee had been announced and the various objections that were raised both to the terms of reference and to the personnel had appeared in the press that the Honourable Sir Basil Blackett was in Bombay to answer certain addresses that were presented to him by the Chamber of Commerce there. Some of his remarks are very pertinent to this Resolution, for the whole matter has to be considered with respect to all the feelings that have been exhibited not only in

the public but also by those who were responsible for the Committee's constitution. This is what the Honourable Sir Basil Blackett said :

“ The next question which you refer to is the question of the Taxation Committee. I am seriously troubled to find such a preponderance of criticism over approbation in the matter of the Taxation Committee. It really is a question in which I have taken considerable personal interest. I have been personally responsible for the appointment of the Committee and nothing that I have ever done in the brief course of Membership has ever given me more trouble. The object of the Taxation Committee is to provide in the first instance the people of India with something authoritative in the subject of taxation in India. But I assure you, gentlemen, that the object of appointing the Committee is to be sure that if and when we raise taxes that are necessary to meet the expenditure of the Government of India and the Provincial Governments, they should be raised in the way that is best in the economic interests of India and is cheapest for the tax-payer. I am quite sure that we are getting less revenue at present at more cost to the tax-payer and at less advantage to the economic interests of India than could be done. This would be possible if we had a more scientific system and it is for the purpose of introducing a more scientific system that we are conducting our inquiry into taxation.”

Then he goes on :

“ It has taken a long time to persuade the Provincial Governments to agree to the form of the terms of reference. I have not been altogether fortunate about the selection of the personnel. Things have happened which ought not to have happened. But I do attach enormous importance to this Committee from a practical point of view.”

Mr. President : The Honourable Member has now reached his time limit and I must ask him to bring his remarks to a close. He has employed a great portion of his time in reading long extracts from the speeches of others.

Mr. K. Rama Aiyangar : Then, Sir, the terms of reference are objectionable for the following reasons : There has been, in fact, as I said, no response to the Resolution or the discussion in the Council of State. Principles of land revenue settlement and the necessity for putting a legal limit to enhancement at each new settlement are not included. Commercial monopolies like railways, posts and telegraphs are not included. Public debt is not included. It is impossible to ascertain the incidence of taxes without knowing the income per head of the different classes of the community so as to indicate whether what is taken by way of taxes takes away luxuries, comforts or the necessities of life. It is impossible to judge the equity of the system of taxation in its effects on the productive efficiency of the various classes of the community without knowing which portion of their income is taken away by the different levies. It is impossible to get a proper view of the problem without referring to the whole financial system and merely by dealing with the question of raising revenue without any reference to the purposes for which the revenue is spent and the manner in which it is spent. Besides these, the condition of the country is a point upon which I need not dilate. The country is very poor and in the case of the agricultural classes a condition should be laid down that those persons who are paying below Rs. 5 or Rs. 10 to Government should be relieved of the taxes, if really they could be left without being taxed on their income. All these questions will have to be gone into and it will also be necessary to find out the national resources and the average income per head of the population. I commend this Resolution to the acceptance of the Assembly.

Mr President : Resolution moved :

" This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income."

Mr. B. Venkatapatiraju (Ganjam *cum* Vizagapatam : Non-Muhamadan Rural) : Sir, already an indication has been given by the Honourable Sir Basil Blackett that they are not going to accept any economic inquiry. It is true that several inquiries were held under the *purdah* system and their reports were confidential. In 1882, we had Lord Cromer's inquiry, in 1887 Lord Dufferin's inquiry and in 1891 and in 1898 we had two more inquiries. But the Government scrupulously avoided either the publication of the reports or the publication of the evidence. One would naturally ask why it was that the Government were averse to publish the reports or even the evidence. Indians feel that their country was at one time very rich. It has attracted all nations and it has been well known for its wealth all over the world. But what is the cause of its rising poverty which has even been admitted by an official like Dr. Rushbrook-Williams. We have had Muhammadan invasions. But the Indians only complained of them of religious fanaticism. But after the European invasion we have to complain of exploitation. That might be the cause of the poverty of the country. There are other things also to which it might be attributed. At any rate, we now find that the country is poor. The other day when I asked a question as to what was the Indian national income per head, the Honourable Sir Basil Blackett said that he did not agree with the statement made by the Secretary of State but he had no materials to place before us to hold a different view. Is there any civilized country which has neglected not to know the national wealth or the national income of its subjects ? (*The Honourable Sir Basil Blackett* : "Yes, certainly.") The Honourable Sir Basil Blackett says that there is. But such a country which he has in his mind must be a very backward country. In America, we notice that economic inquiries are made from time to time and we know about their wealth. We know not only the national income but also the individual income. I may invite the attention of Sir Basil Blackett to the fact that not only the States but even private companies have taken the trouble of finding out, on the materials available to them, the income per head of the population and not only of their own country but of all other countries of the world. I may invite Sir Basil Blackett's attention to the figures which a well known company of New York named the Bankers Trust Company compiled in 1923 as to the income per head of the population. They state that the British Empire with India has got only 56 dollars, whereas, without India, it has got 151 dollars per annum. Canada has 266, Great Britain 212, France 179, Italy 85, Germany 114 and the United States 281. In pounds, I may mention, Great Britain has 46 per head, Canada 56 per head. And what is the income of India ? It cannot be more than 4 pounds. We know, Sir, that formerly it was stated that the income was only Rs. 27, as calculated by Lord Cromer, but Lord Curzon thought it might be said to be about Rs. 30 in 1900.

Later on it was suggested by the Director of Statistics that it was about 53. The Secretary of State now suggests £4 or Rs. 60 per head. What is Rs. 60 when compared with Rs. 600 in other nations ? If our Executive Members, instead of going in their saloons, reading novels or

routine papers, looked on either side of the railroad in the United Provinces they would see the miserable huts in which the people live, the rags in which they are clothed. In their houses they have no utensils, much less any jewellery. Is this the condition which any civilized Government can tolerate without inquiring into it? What is there in this proposal to which the Government can take exception to inquire into the economic condition of the people? Are they not spending lakhs and lakhs on Committees which result in nothing. We the people are anxious to know the real situation, whether the people are growing poorer from day to day. Those who have had the fortune to see other countries must shed tears when they come back to India to find the miserable state in which the masses are living in India. Do you find in any country the workmen in such a condition as in India? Can we not expect that the world-famed financial expert, who has taken charge of Indian finance, will take the statesmanlike view and find out the real economic condition of the people? If they are growing poorer and poorer, we must know what is the cause, and how best to remedy it.

I will not take up more time, but my submission to the Honourable Sir Basil Blackett is that he should not lose this opportunity of keeping up his well known reputation and see that the taxes are properly and equitably adjusted after ascertaining the proper economic income per head of the people. It was Sir Basil Blackett who said that the Government were going in a rake's progress, in the matter of expenditure, because after the Reforms in 1916-17 we find that with one hand we got the Reforms and with the other hand we find reckless expenditure on the part of the Government. During the last seven years we have increased the revenue of the country by 278 crores, yet in spite of that we have to meet a deficit of 98 crores. We have increased the unproductive debt of 3 crores in 1916 but which is now 280 crores. Is it all for the good of our country, is it all for the improvement or amelioration of the condition of the masses? You know in America they spend 240 crores on education, whereas you spend here a miserable pittance of 12 crores on a population of 300 million. I think it would be wise and statesmanlike for Government to come forward and accept this Resolution for an economic inquiry.

The Honourable Sir Basil Blackett : Sir, I have listened in vain to the speeches of the two Members who have spoken for any arguments in favour of the first part of this Resolution. The Resolution is divided into two parts. The first part recommends the suspension of the Taxation Committee; the second recommends a general All-India economic inquiry. No one can fail to have the fullest sympathy with such a recommendation, but I have listened in vain in my efforts to understand what is the objection to the formation of the Taxation Committee. Nothing whatever has been said either by the Mover or Seconder of the Resolution on that point.

Mr. V. J. Patel : You should have waited.

The Honourable Sir Basil Blackett : If I do not get good reasons in the first two speeches, including the speech of the Mover, I am entitled to assume that they have a very poor case.

The Honourable Mover gave us something of the history of the Taxation Committee, but he seemed to be entirely unaware that this Taxation Committee was instituted by the Government after the formal

authorization, in fact under the directions, of the Assembly, which voted the money for the purpose last March. The Honourable the Mover spoke at some length in regard to what happened in the Council of State. He read the Honourable Sir Maneckji Dadabhoy's Resolution of July 1923 a year ago, and mentioned the fact that the Government of India had accepted it. They accepted it subject to conditions. Now he did not read some very important parts of that discussion to which I should like to draw his attention. The discussion in the Council of State in July 1923 was illuminating. Sir Maneckji Dadabhoy in moving his motion drew attention to the defects in the Indian financial system. He said :

"I say with great respect that the system adopted in India from time to time by successive Finance Ministers has been more or less undefined, sporadic and haphazard, one devoid of any economic or scientific calculation and only sufficient to tide over the momentary embarrassments of Government and requirements of any particular year."

Others supported the view that something more scientific should be introduced. Sir Maneckji Dadabhoy however had demanded a taxation inquiry with a view to its thorough revision and with special regard to the taxable capacity of the people.

Let me remind the Honourable Member of the view which was taken by some of the Members in the Council of State. The Honourable Mr. Lalubhai Samaldas said :

"The Honourable Sir Maneckji Dadabhoy has talked about national capital, national and individual average income and the taxes to be fixed on these. I wonder, Sir, if he realizes what this means. If a real inquiry had to be conducted and was taken up in right earnest in the same spirit in which he asks it to be done, it would take years.

I believe a similar inquiry was made in one or two districts. If the whole inquiry is to be made all over India by a roving commission composed of economists, financiers, capitalists, land owners, etc., going from village to village, *taluk* town to *taluk* town, from district town to district town, taking evidence and getting all sorts of statistics, it will be another twenty years before it can complete the inquiry. By that time no one of us will be here."

He went on to point out that you could not take up the question of provincial taxation without leave of the provinces.

Then another Member of the Council of State also spoke on that debate. He said :

"I wish the Honourable Sir Maneckji Dadabhoy had told this House what country in this world had a taxation system based on such good qualifications as an economic, equitable and scientific basis. It would appear to me, Sir, that the ideal method of taxation would be that which takes from the citizen the surplus which he could afford to give without putting him to any straits ; but I have sought in vain many a book on economy in order to hit upon some country, some economist who has satisfied his country that the system of taxation there was either scientific or equitable or based on a basis which met with the approval of all."

That, Sir, as the Honourable Sir Purshotamdas Thakurdas will recognise, came from himself ; that was his view on the subject of the economic inquiry. Sir Purshotamdas Thakurdas very rightly took the view that :

"as the Central Government have addressed the Provincial Governments it will be well to discuss the Resolution further when the opinions of the Provincial Governments are received."

The Honourable Mover seemed to think that there had been some change in the attitude of Government from the time of the debate in July 1923. I can assure him, there was not. The taxation inquiry was

conceived in my own mind at any rate very shortly after my arrival in India.

It was given a considerable impetus by a speech made by Mr. Ginwalla in March 1923, in which he drew attention to what was an obvious defect in the organisation of the Government of India, that it had no department that was really expert in taxation problems as apart from financial problems. The Incheape Committee drew attention to the same defect and one of the results of their recommendations has been the appointment of a Central Board of Revenue which may train experts and become an expert department in this subject of taxation which, I may remind the House, has become a very practical subject since the war. There have been inquiries very much on the lines that we propose to make them, in a great many progressive countries since the war. We in fact are following rather late in the day in the steps of such countries in making this inquiry. The Government proceeded to consult the Local Governments and when the Honourable Sir Maneckji Dadabhoy's Resolution came up they announced that fact, and, after the Resolution was postponed with a view to hearing what the Provincial Governments had to say, the matter was discussed with the Provincial Governments both in written communications and at very considerable length at a Conference of the Finance Members of India held at Delhi in November, 1923. At that meeting the proposal to appoint a Committee with the terms of reference just as now proposed was unanimously agreed to by the Finance Members. The terms of reference were actually drafted by a committee of those Finance Members. The Local Governments were then asked to give their formal approval to what their Finance Members had agreed to and they unanimously accepted. That was the position when the second Resolution the Honourable Mover has mentioned—the Honourable Mr. Sethna's Resolution in the Council of State—came up on in February 1924. At that time the Government announced the terms of reference of the Committee and their general intentions in regard to personnel and the Council of State did not pass the Resolution that was proposed by Mr. Sethna but it passed the following which was agreed to by the Government :

“ That this Council recommends to the Governor General in Council that the Local Governments may be consulted with regard to the desirability of undertaking an inquiry into the general economic conditions of British India and whether they are prepared to support the proposal to appoint a Committee and to co-operate in its labours.”

The Council of State accepted the view that the Taxation Committee could desirably start its labours while those consultations with the Provincial Governments in regard to a more general economic inquiry were being made.

Mr. A. Rangaswami Iyengar : Are they going on now ?

The Honourable Sir Basil Blackett : I am coming to that. The next step the Government took was to place the proposal for the Committee, its terms of reference and an estimate of its cost before the Standing Finance Committee, and after receiving their approval the proposal was placed before the Assembly among the Demands for Grants. The Demand for Grant in which it was included was the normal grant for such committees, namely, the Miscellaneous Grant Head No. 47. That was one of the grants which was passed by this House without discussion. From that fact and from the fact that no

notice of any kind for the omission of that item was put down, the Government are surely entitled to the view that at that time the Assembly not only accepted the desirability of the Committee but wished to proceed with it. What change has occurred since then? So far as I can understand, no change at all has occurred. The Government have proceeded in accordance with the directions of the Assembly to appoint the Committee. They have as a matter of fact postponed the first formal meeting of the Committee until November. They found that they could take advantage of the presence in England of the prospective Chairman and Secretary of this Committee as well as the member from Somerset House and the Inland Revenue in England, to avoid the necessity of any expenditure for the Government of India during the six or seven months preceding the cold weather here. During that period the Government of India are getting the advantage of preparation of statistics in India. We have circularised all the Local Governments and others with a view to the collection of data, and prospective members of the Committee in Europe have been giving their spare time at no cost to the Government to examining the condition of affairs in some European countries. They have been collecting statistics in Geneva and in London. All the members of the Committee have, I understand, been in consultation with each other, some orally and some only by letters. Now it is in these circumstances that the Honourable Mover comes and asks us to suspend the inquiry. I suggest to the House that it is not in accordance with its own dignity that it should now turn round and recommend a reversal of its own deliberate decision taken six months ago—a decision on which the Government have acted as in duty bound. The decision to appoint a Taxation Committee rather than a general All-India economic inquiry was deliberately taken after public discussion. The reasons for preferring to begin by a taxation inquiry were fully stated by the Government before the House arrived at its decision. There has been no change in the circumstances since then—no change which would justify a reversal of policy; and I feel sure in these circumstances the House will not desire to be so inconsistent as to adopt the Resolution now before it in the form in which it stands.

Let me now turn to the proposed economic inquiry. It will be remembered, as I have already read it out to the House, that on February the 4th, 1924, the Government agreed to a Resolution in the Council of State to consult Local Governments on this subject. The Government have since that date consulted Local Governments on the subject. Now the Resolution was “to raise the economic level of the masses of the people.” That was stated to be its purpose. Such an object is one with which no one could fail to feel the utmost sympathy. The Honourable Mover has already referred to what I said in the Council of State on the subject. I was talking of the potential riches of India. Drawing a distinction between the potential riches of India, obviously very great, and the existing poverty of a large mass of the people of India, which is also obviously very great, I said then and I repeat now that no one can see that contrast without desiring to do all in his power to serve the object of the Resolution, namely, to raise the economic level of the masses of the people. I was sorry to hear the last speaker repeat what I regard as the ridiculous nonsense about India having been a rich country and made poor by the arrival of the British. It is so obviously untrue. It is stated often and it is believed by some ignorant people,

but I do not think that an Honourable Member of this House should come here and give vogue to such an obvious untruth. That India has attracted in all ages the traders from other parts of the world, that India has been the home of gold, of treasure and of jewels for all ages, is a well-known fact. India is still a sink of gold, of jewels and of treasure, but the economic level of the masses of the people certainly was not higher in the days of Nadir Shah than it is to-day. There is no foundation whatever, I think, for that historical statement, and I do not think that anybody is benefited by trying to drag into the discussion this sort of historical myth which can merely serve to grace a perfervid peroration.

Now the Provincial Governments obviously share the view of the Government of India that it is desirable to do what can be done to raise the economic level of the masses of the people. We have passed away from the theory of the Manchester School—the theory of *laissez faire*—that the sole duty of Government is to maintain law and order internally and on the frontiers. It is no longer considered to be sufficient that a Government should confine itself to that task. One of the particular purposes of the reforms was to distinguish between the functions of the Central Government and the Provincial Governments and to give the Provincial Governments more time to attend to this task of doing what they can for what are called the nation-building services. The Central Government's functions were deliberately arranged so that, apart from their general supervision and control, they should be concerned mainly with these older functions of government together with the task—and the very important task—of maintaining unity amid diversity, a federal union among a series of politically autonomous governments. The functions of the Provincial Governments, however, are those which are mainly concerned with the raising of the economic level of the masses. This involves something of a federal system and it involves special attention to the questions of federal finance on which I propose to touch in a moment. But it also makes the views of the Local Governments on the question of an All-India economic inquiry not only important but almost decisive. We have not yet received replies from all the Local Governments to the circular that was sent out by the Government of India on the subject, and until they are received a final conclusion cannot be arrived at. We do not want to prejudge the issue ; but I may say that so far the replies received from Local Governments strongly suggest that they do not desire an All-India inquiry. Only one Government so far has expressed its willingness to support the proposal, that is the Government of Bombay ; and its reasons for giving its support are interesting. It bases its support not on the merits—because I gather it thinks that the inquiry can better be done locally—but on the view that an authoritative inquiry would put the Government in possession of facts to disprove the wild allegations frequently made regarding the great and increasing poverty of the people of India. I can only sympathise with that view. As I have said, nothing has startled me much more than the frequent repetition of that outrageous misreading of history, since I came to India. The Bombay Government, however, never for a moment suggests that the taxation inquiry should be suspended meanwhile. The other Governments are all more or less emphatically opposed to an All-India inquiry ; they lay stress on the great variations which exist between different parts of India and Burma.

This is a point which jumps to the eye. An All-India figure of the index number for the cost of living, even if you exclude Burma, is obviously merely meaningless. A figure purporting to give the average annual income of an Indian taken for the whole of India and Burma is even less useful. What is needed and what the Local Governments all want is a more detailed inquiry in regard to particular areas and particular classes. Many of them are already engaged in one way or another in conducting these inquiries. As I have said the Government of India do not desire to come to a final conclusion on the question of the institution of an All-India economic inquiry at the present moment until all the replies have been received. But it is evident from the replies that have been received that the unanimous consent of the Provincial Governments, which is essential for a satisfactory inquiry to be instituted, will not be easily or quickly obtained.

For these reasons, Sir, while the Government have every sympathy with what they take to be the underlying purpose of the Honourable Mover in pressing for an All-India economic inquiry, they are not prepared to commit themselves to the second part of the Resolution which asks for an All-India economic inquiry. In particular the Government could not agree that any committee, whether the Taxation Committee or Economic Committee, should waste its time in trying to obtain an average figure of the annual income of an Indian. I have very little belief in the value of such an estimate even in a country like England which is fairly homogeneous. I may tell the Honourable Seconder of the Resolution that the British Government have invariably stated that they are unable to give the kudos of government approval to any of the various estimates of the national income or national capital of the United Kingdom that have been framed from time to time. They do not regard them as more than more or less useful guesses by individuals who have chosen to make such guesses. (*Mr. A. Rangaswami Iyengar* : "They are great economists.") There are very many great economists in England who have attempted to produce estimates of the average annual income of an Englishman. Those estimates prepared on the same data for the same time by very well equipped economists have frequently varied by something approaching 100 per cent. That being so, what real use is there in an average annual figure of the income of India and Burma ? What would be the meaning of the average annual income of a European in Europe, even excluding Russia ? I am afraid the same is really true of an Indian excluding Burma ; because the value of money varies from time to time and place to place. *Mr. Venkata-patiraju* quoted the figure of the average annual income of a subject of the British Empire, including India, as 56 dollars. Well, what on earth does that mean ? In Australia, I believe, 4 shillings buys what one shilling buys in England, because you have got a high protective tariff. The income of an Australian might be four times that of an Englishman stated in terms of dollars ; but he would really be exactly as well off. You have got to take the differing value of money in different parts of the world and different parts of the area for which you are taking the estimate into consideration, before it begins to be of any use. Then the term "income" itself requires careful definition before you can say what the average annual income is. It has been my experience that when one produces some figure as the average annual income for any area very few people who see that figure have the least notion as to

what the definition of income was. I have already pointed out, I think, in this House that as the result of the addition of £7,000 millions to the National Debt of the United Kingdom during the war, according to certain estimates the national income of the United Kingdom was increased by £7,000 millions, that the addition to the National Debt due to the war meant an addition to the average annual income of each individual in the country ; and that is true unless you are very careful in the statistics before you. Statistics are very useful if you use them properly, if people understand how they should be used ; but the idea that you can invent an average annual income for an Indian and then base on that a scientific basis of taxation is really quite unfounded. No one will be any better off than before.

I trust I have convinced the House that however desirable an economic inquiry might be an inquiry that is going to extend to the details which seem to be in the mind of the Honourable Mover of this motion cannot really be useful for the purposes of the improvements which we desire in our system of taxation. If a system, based on a scientific and equitable basis calculated according to the taxable capacity of the people and the average annual income of the people could have been framed, would not every progressive country in the world have framed such a system and worked it long ago ?

Now, let me invite for a moment the attention of Honourable Members to the terms of reference of the Taxation Committee which is under consideration and to the Resolution of the Government of India which announced the terms of reference. They will see that the Taxation Committee are already charged with making an extensive economic inquiry so far as is necessary for the purposes of their investigation. That is the only limit that is placed upon them. It is a very careful limitation with a view to ensuring that their inquiry shall be limited to the purpose in view and shall not be a roving inquiry, such as Sir Purshotamdas Thakurdas and Mr. Lalubhai Samaldas, speaking in the other House, feared might take place. It is exactly to avoid any such roving inquiry that the terms of reference have been carefully defined. The Committee are further charged with the task of considering the burden imposed on classes of the population without regard to territorial limits ; and to consider the whole scheme of taxation, Central, Provincial and Local. They are charged with the very important duty of considering the most efficient methods of collection. Their investigation must necessarily provide very valuable data for further studies of the economic conditions of India and in accordance with the promise given in another place there is a specific direction to the Committee contained in the Resolution that they should give particular attention to the question of collecting data.

Now, the need for this inquiry is, I submit, an urgent one. It is generally recognised that our taxation system could be improved. I believe myself that it could be quite considerably improved. I interrupted an Honourable Member in the course of his speech when he said that I had stated that what I wanted was a scientific system of taxation. What I do want is a more scientific system. There is a very big distinction between a more scientific system and a scientific system. It is very difficult to extend science into all the psychological regions which taxation invades.

The need for the inquiry is, I think, evident and urgent. India has recently been given a reformed political constitution. If that constitution

is to progress, it is necessary that there should be an inquiry into the complicated subject of federal taxation, a subject which has proved a thorny one for every federal constitution in the world. There is very much to be learned from the failures and the successes in the direction of federal finance of existing federal governments. It is a subject to which a great deal of attention has been given in the United States and in Switzerland. It is being studied in Canada at the present moment. It is a subject which is very much to the fore in Australia. Without such study the Central Government and the Local Governments are agreed that they cannot advance politically and economically as much or as fast as they should. If the Meston Settlement is to be revised, this inquiry is obviously necessary. It is an essential preliminary to the inquiry into the expenditure side of the question—a very important side of the question, which would be necessary for the same purpose. Before we can frame a settlement, I will not say which is satisfactory to everybody, but which is more satisfactory than the present system to some of those concerned, this inquiry is an absolutely essential preliminary. The great change that was made in 1919 in the relations of the Central Government with the Provincial Governments is I think not always quite realised. Before 1919, the Provincial Governments were, as I may say, emanations of the Central Government carrying on all the functions of the Central Government locally, subject to general superintendence from the Central Government. There was no clear distinction between the functions of the two Governments and there was no clear distinction between their revenues. An attempt was made in 1920 to create this distinction and there are now Provincial revenues and Central revenues. But there are an enormous number of problems that are still unsolved. Let me give one example. Excise has become a provincial subject. The excise duty is collected by the Provincial Government. But it is economically desirable and is historically the fact that distilleries should be in one province and should provide the needs of another. Now, is the consuming province or is the producing province to take that revenue? It is a problem that can only be solved by an understanding between the two. We are, I believe, very near a settlement of that problem. But if you do not settle that problem, see what happens. You probably get a new distillery built in the province that has not got one, which is economically very bad for India (quite apart from the question of consumption of alcohol), and you get something approaching a ring fence of excise barriers between province and province you break up the whole economic unity of India. That is only one example of the many problems that arise in dealing with federal finance, and that is one of the problems that this Taxation Committee will, I hope, look into.

Then there is the question of the suitability of existing forms of taxation and existing methods. It is categorically stated in the Government Resolution appointing this Committee that the Government have no intention of increasing taxation. Indeed, I am hopeful that as the economic disturbances arising out of the war pass away, the yield of existing taxes may increase and thus enable us either to reduce existing taxes or—what comes first in the case of the Central Government—to give some relief in the matter of provincial contributions. Then there are particular sources of revenue which are liable to disappearance. Let me draw the attention of Honourable Members to to-day's order paper. The first proposes that we should not inquire into the taxation system of India. The

second proposes that we should bring about a state of affairs in which neither the Central Government nor the Provincial Governments will get any revenue from alcoholic liquor. That is a loss of something approaching 20 crores of existing revenue. The fifth proposes that we should get rid of the excise duty on cotton. I think there is another Resolution, which probably may not come up to-day, but which is the seventh on the order paper, which has a direct connection with our opium revenue. We are already suffering a constant diminution, which I for one do not regret—in our opium revenue and it is obvious that all these revenues are at any rate to some extent precarious. In these circumstances is it not obviously desirable that we should have an inquiry into taxation—an inquiry sufficiently wide to cover the subject, but sufficiently narrow to secure that it will not be a roving inquiry which will go on for generations without any practical result, an inquiry which will be useful for the Governments and Legislatures of India when they come to consider the changes in taxation which are obviously due in the course of nature in the fairly near future? The Mover hastily read out some of his objections to the existing terms of reference at the end of his speech when he was unfortunately unable to continue it. He says that it does not deal with land revenue. It deals with land revenue in so far as land revenue is a taxation subject. It does not deal with land revenue in so far as land revenue is a question of politics and administration. Obviously you must have a very clear distinction there. You could not have the Central Government even with the approval of the provinces going and interfering in the autonomy of the provinces in this matter of land revenue. It is a very clear distinction, and it has to be there. It does not deal with Railways—the Honourable Mover said. We had a discussion about Railways yesterday and I for one always object to Railways being regarded as a method of taxation. It does not deal with monopolies. It certainly deals with salt revenue and things of that sort. It does not deal with debt. Debt is an expenditure subject; it is not a question of taxation. We must try and do one thing at a time. And it does not deal with the poverty of the people of India—the Mover said. I hope it will deal with that question, as I have already said. Some of the objections which were taken on one occasion when this subject was discussed in the Council of State were that the Committee might deal with poverty more effectively by taxing some of the richer members of the community more than they are being taxed at present. But that is in the future at any rate. Surely we want an authoritative report on this subject. The proposal for this Committee has been carefully thought out in advance. It was examined fully with the Provincial Governments both in written and oral communications. It has been discussed on broad lines on at least two occasions in another place. The special recommendations of the Government of India in regard to its appointment and its terms of reference and the expense which it would involve were placed before the Standing Finance Committee and the grant after approval by the Standing Finance Committee was passed unanimously by this House. It was not until the Government were armed with that authoritative direction from the Assembly that they proceeded to appoint the Committee and set it upon its preliminary investigations. In these circumstances, I confidently appeal to the House that at this stage it shall not stultify its own action and stultify the action taken by the Government of India by passing a Resolution for the suspension of the inquiry.

Mr. V. J. Patel (Bombay City: Non-Muhammadan Urban): Before I address you, Sir, on the merits of the question raised by this Resolution, I should like to enter my emphatic protest against use of language which in an Assembly of this character should have been avoided. My Honourable friend, Sir Basil Blackett, in addressing you referred to the speech of my Honourable friend Mr. Raju, and I remember that he used the words "Mr. Raju talked ridiculous nonsense"—these are his very words, "that he was talking an obvious untruth". I strongly protest against the use of such expressions in this Assembly, and I am sure that my Honourable friend, Sir Basil Blackett, when he realises that he has really done an injustice not only to Mr. Raju but to the whole Assembly, will repent.

The Honourable Sir Basil Blackett: If I may intervene for a moment, Sir, I had not the slightest desire or intention to accuse Mr. Raju of any of the crimes which I appear from Mr. Patel's statement to have accused him of. What I said, and I wish to repeat it, is that I regret that such statements which I regard as ridiculously untrue should be repeated in this House.

Mr. President: I hope that all Honourable Members, even when convinced of the inaccuracy of statements made by others, will be careful how they use such words as 'untruth'.

Mr. V. J. Patel: Thank you. The Honourable Sir Basil Blackett wanted to know why we objected to the existing Committee and why we wanted to have it suspended. I do not know why my Honourable friend, Mr. Rama Aiyangar, wants to suspend the Inquiry Committee. Does he mean to revive it at some future time? The fact is that he wants to have it dissolved or disbanded and to have another Committee appointed for an economic inquiry throughout India. His sole object is therefore not to have the Committee suspended with a view to revive it at some future time, but to dissolve it altogether. That is my position at any rate. I would like to see the present Committee disbanded altogether, and for these reasons, I see no other result from this Committee except a recommendation for further taxation. If you have followed the speech of my Honourable friend, Sir Basil Blackett correctly, and if you read between the lines, you will find that his whole object is to get more revenue. He fears, and very rightly fears, that the excise revenue is bound to go under the pressure of public opinion. He also fears that the liquor revenue will disappear; if not now, at least after some time, because this country, unlike other countries, is for prohibition, total prohibition of liquor. He has also got to find funds for giving effect to the recommendations of the Lee Commission. He knows that very well. He has got to find extra revenue for all these purposes, and if you have followed him quite correctly his whole idea in appointing this Committee is to have recommendations for further taxation and therefore no other result could be expected out of this Committee. Under the circumstances I strongly object to the appointment of any such Committee because in my opinion Government are placing the cart before the horse. The first thing that the Government should do is to inquire into the economic condition of the people and their capacity to bear any additional taxation. We have already been complaining for years past that this country is overburdened with taxation and that the time has come when Government should go into the whole question and try to see if taxation could not be reduced. Instead, the Government all at once starts a taxation inquiry under the plea of putting the taxation on

a more scientific basis, admitting thereby that the taxation system is already on a scientific basis. Therefore I say the first thing to be done in this respect is to have a thorough inquiry into the economic condition of the people of this country, and unless you do that it is not possible for any Government to say whether the country is in a position to bear any further taxation. That is one ground on which I object to this Committee. We want an inquiry first into the economic condition of the people and to find out how the people of this country are capable of bearing any additional taxation before we go into any question of taxation at all.

The second reason why I object to this Committee is because of its personnel. I strongly object to its personnel. The personnel is not at all satisfactory. Government should have consulted this Assembly before they appointed a Committee of this character. It is a very important Committee, involving as it does an inquiry of a very far-reaching character, and I should have thought that Government before committing themselves to any such position would have consulted this Assembly. Instead, the Government have appointed a Committee of their own selection. You have as usual a member of the I. C. S. as the Chairman of that Committee and another member of the I. C. S. as Secretary. That is a sure guarantee that Sir Basil Blackett will have his recommendations for taxation. Can there be any doubt about that? There is one gentleman. I do not know his name (*A voice*: "Sir Percy Thomson.") Sir Percy Thomson from England. I do not know who he is. I have never heard of his name. But there he is. He is perhaps an old friend of Sir Basil Blackett. I do not know. When he will come over here, we will know what qualifications he possesses. Then you have got three Indians, all excellent economists no doubt. One of them is a Member of this House, a very distinguished Member, Dr. Hyder. Then there is Dr. Paranjpye from Bombay. He is a personal friend of mine. I have great respect for him. We have worked together in the Bombay Legislative Council for years and I can say that he is a very good schoolmaster, but so far as economy is concerned a worse choice could not have been made. I do not know what induced my friend Sir Basil Blackett to place his choice on Dr. Paranjpye. He is a very amiable gentleman, a very estimable gentleman, a very capable man, but for this work he is in my opinion absolutely unfit. Then there is the Maharaja of Burdwan. I think I need not say anything about him. The less said about him the better. I leave it to the House to judge whether the personnel selected for this Committee is at all satisfactory for the purposes that we have in view. I have not the slightest doubt in my mind that with this personnel Sir Basil Blackett will have the recommendations that he wants from this Committee. And when the report comes before this Assembly he will say, here is the unanimous opinion of three Indian gentlemen, all respected men, all men holding public positions, all men having the cause of the country at heart, and you have no right to say anything against them; you must accept their recommendations in the same way as you were asked to accept the recommendations of the Lee Commission by my friend Sir Alexander Muddiman. We do not want this inquiry in the first place because it is putting the cart before the horse, and in the second we object to the personnel of the Committee altogether. We demand a Committee to make an inquiry into the economic condition of the masses, a Committee to be selected by this House—two-thirds to be selected by this House and one-third to be nominated by Government. That is the

sort of Committee that we want and not this Committee. And we therefore say this Committee should be disbanded altogether. We were told that we voted the grant for the expenditure. We never did anything of the kind. You know what happened at the time of the Budget; you know very well, you will have a full picture before you, if you will only just refresh your memory and realize what was the state of tension at the time and you will at once see what Demands for Grants we considered and what we did not consider. If I remember right, this particular grant came on on the last day when the guillotine was applied and there was therefore no consideration of this grant upon its merits. (*The Honourable Sir Basil Blackett*: "In the same way as the Income-tax.") The same as the Income-tax! It would have met the same fate, I assure you, if you had allowed the House a chance. But under the rules of this Assembly you can discuss Demands for Grants for a particular number of days only, and at the end of those days all the remaining grants are put to the vote and guillotined and we have no opportunity of discussing them. But I assure Sir Basil Blackett that if we had got the opportunity we would have there and then objected to this particular grant. There is no doubt that from the time that we knew of the appointment of this Committee, we have been protesting both from the press and from the platform against this Committee. We do not want any Committee which is likely to suggest any additional taxation. The country is not in a position to afford any additional taxation. If you will allow me to speak out what you would consider as obvious untruths, and at the risk of being called uncompromising or impertinent, I should once again bring before this House what we consider to be the true condition of India to-day. Why is it that you shirk this inquiry? Why do not you want to make this inquiry? We have been repeatedly asking you for this inquiry. Times out of number this House by questions and Resolutions have been pressing the Government to make an inquiry into the economic conditions of the people of this country. Years ago in 1902 my late lamented friend Gopal Krishna Gokhale asked the Government of India to undertake an economic inquiry into the conditions of the masses. You would not do it. The Famine Commission sat in 1898. They examined several witnesses. The whole of the evidence was shut out. Why? That evidence never saw the light of day, as the evidence in respect of another famine commission appointed in 1924 never saw the light of day—the Lee Commission. (Laughter.) Several inquiries were made as stated by my friend Mr. Raju regarding the national income and resources in days gone by estimated by several authorities. The evidence recorded in those inquiries has never seen the light of day and we do not know anything about those inquiries. Why is it that Government are not prepared to face a public inquiry into the economic condition of the people in this country? The reason is obvious. You know that as soon as that inquiry has been set on foot, so many ugly things will be said and brought out and exposed about British rule in India that you dare not face such an inquiry. That, it seems to me, is the only reason. As a matter of fact the country, as I have already mentioned in connection with the Lee Report, which was the richest country in the world is to-day the poorest. That is the position. We had a most excellent system of industries, a most excellent system of handicrafts. Where is all that? It has all been destroyed under your system of government. Can you deny that? You can go on denying but then

why don't you make an inquiry ? As I told Mr. Chatterjee the other day, your conscience is guilty. A country which produced the best of materials, which attracted you and those who were unemployed in other countries to this country, dreaming of the wealth of India, that country now is the poorest country in the world ! (Voices : " No, no ".) Then why don't you make an inquiry, I ask once again ? Mr. Rama Aiyangar wants an inquiry into the economic condition of the people in this country before you proceed further with your Taxation Inquiry Committee, which you have appointed for purposes of your own (*The Honourable Sir Basil Blackett* : " Why ' before ' ? ") Because without an economic inquiry, you cannot go on with the question of taxation, you cannot determine what taxation the people are capable of bearing. We say that the people are not capable of bearing any further taxation ; you say, " No, they are ". That is the difference between us and the Treasury Benches. We want a thorough inquiry into the economic condition of the people of this country before you think of additional taxation. You know that 80 per cent. of the people of this country live on agriculture and agricultural labour. It is because the industries have been destroyed, it is because the trade has gone,—that is why so many people have to fall back on agriculture and agricultural labour—and I repeat once again that millions of the people of this country are living on one meal a day, and I want you, the Members on the Treasury Benches, to try that experiment yourselves for a week, and I would like to see your faces on the eighth day (*The Honourable Mr. A. C. Chatterjee* : " Have you tried it " ?) Millions of the people of this country are living on one meal a day. Is it or is it not a fact ? (*The Honourable Sir Basil Blackett* : " I would not say ' no '. I have very definitely said, ' yes '.") Very well, one fact is admitted that millions of people in this country live on one meal a day, and among those millions you are not there ; that is absolutely certain. (*The Honourable Mr. A. C. Chatterjee* : " Are you ? ") I am sorry ; I am not, but I am here to represent them ; you are not (*The Honourable Mr. A. C. Chatterjee* : " I do not say I am.") Can you say there is any country in the world where such a large proportion of its population is living on one meal a day ? That is the condition of the country after 150 years of your rule ! (*Mr. T. A. Chalmers* : " Did they have two meals a day before ? ") Oh, you are sure they lived on one meal a day ? (*Mr. T. A. Chalmers* : " I am asking "). That is why we want an inquiry. You may say that some of the conclusions we draw are harsh, they are not correct, they are obviously untrue, you may say all sorts of things. We say, " All right, let a Committee hold an inquiry, let us see who is right and what can be done to remedy this ". And you shirk such inquiry (*The Honourable Sir Basil Blackett* : " Read history, Aurangzeb.") (*An Honourable Member* : " History made to order ? ") Who made the history ?

The Honourable Mr. A. C. Chatterjee : Why don't you make your own ?

Mr. V. J. Patel : You have manufactured the history for your own purpose. Take for instance this Committee which you have appointed, it makes a report as you want it. Twenty years hence, the then Finance Member might quote passages from it and say that the Committee with three eminent Indians had said so and so. You will call it history. Such history is worthless, and it would not be worth the paper on which it is written. It is history manufactured by you

for certain set purposes and cannot be relied on. We want an inquiry made by independent men, men in whom people have confidence, not men appointed by you. That is what we want. Why don't you do it? We again and again say that ignorance, poverty, disease and epidemics are the order of the day under your rule. We repeat this indictment times without number. We challenge you to prove otherwise. Ignorance, because you have always resisted our attempts, our endeavours for the introduction of free and compulsory education in this land. You have kept the people of India absolutely ignorant. Ninety-five per cent. of the people are steeped in utter ignorance.

The Honourable Sir Basil Blackett : Some of them are here.

Mr. V. J. Patel : Some of them are here. They are on the Treasury benches! That is what you have done about the education of the masses of the people committed to your charge. And when I talk of disease and epidemics, you know that in Glasgow plague broke out some years ago and it was eradicated in one year. In India plague started in 1896 and every year regularly we have a visitation in Bombay. You have not been able to do anything in the matter. Why should you?

The Honourable Mr. A. C. Chatterjee : Have you allowed everything to be done.

Mr. V. J. Patel : What can we do? You are our masters for the time, brown or white, whoever sits there. That is the position. Then, Sir, talking about diseases and epidemics, only 5 years ago we had a severe outbreak of Influenza and 60 lakhs of people died in three months alone. This is your wonderful organisation of medical relief and sanitation. This is your rule, and yet you say that everything is well governed, governed in the interest of India by the Indian Civil Service. That is the position. I once again challenge you to hold an open public inquiry as suggested in this amendment of Mr. Goswami and prove that we are wrong. I now conclude with an appeal to the Mover of this Resolution to accept the amendment of Mr. Goswami.

Mr. T. C. Goswami (Calcutta Suburbs : Non-Muhammadan Urban) : Mr. President, with your permission, I wish to move the amendment which stands in my name, which is as follows :

“ That for the original Resolution the following be substituted ; namely :

‘ That this Assembly recommends to the Governor General in Council, that he be pleased immediately to dissolve the present Taxation Inquiry Committee and instead thereof to institute a thorough inquiry into the economic condition of the various classes of the people of India, their income per head, their capacity to bear the existing burden of taxation, and the general resources of the country, through a representative Committee, at least two-thirds of which shall be elected by the Indian Legislative Assembly.’ ”

While thanking Sir Basil Blackett for his illuminating lecture on federal finance, I am obliged to say—I shall not be very uncharitable—that his speech was not so much an example of bad advocacy as the result of an increasing conviction of the weakness of the case which it was his business to defend. The defence of both parts of the Resolution, which the Honourable Sir Basil Blackett rightly said *can* be separated, is very weak indeed. As for the terms of reference to the Taxation Committee,—I shall come to them in a minute. There was one point on which Sir Basil Blackett laid special emphasis. He said that the Assembly had voted money for this Taxation Committee and

he referred to the deliberate decision of the Legislative Assembly. Well, I suppose, words have their meaning and I wonder what that word "deliberate" meant in the phrase which he used,—“the deliberate decision of the Assembly.” As my Honourable friend, Mr. Patel, has pointed out, the demand under this item came under the guillotine during the Budget discussion. No opportunity was available to the Members of this Assembly to express their opinion on this Committee. I might remind Sir Basil Blackett that early in June, as soon as the personnel of the Taxation Committee was announced, I handed in to him a copy of my Resolution which the ballot has awarded to my Honourable friend, Mr. Rama Aiyangar. And he must have seen after that in the press repeated and pointed criticism both of the personnel and of the terms of reference of this Taxation Committee. He could not have failed to notice that dozens of Members of the Legislative Assembly sent in this very Resolution (or something very much like it) in order that it may have a chance in the ballot and that the Resolution may be discussed and that we may express our emphatic opinion that this Taxation Committee should be dissolved immediately and an inquiry should be instituted through a representative Committee into the economic condition of the country. Sir Basil Blackett has told us that the Provincial Governments have opposed an economic inquiry. Obviously, they would. I did not expect that they would do anything else. Therefore, it becomes all the more necessary for us in this Assembly to emphasise our opinion that this Committee should be immediately dissolved. Sir, with your permission, I will refer to a debate in another place. I am not at all discouraged or frightened by the fate of a similar Resolution in the Council of State,—I mean the Resolution moved by the Honourable Mr. Phiroze Sethna on the 4th February, 1924. I shall not take the time of the House by reading the Resolution which was moved by the Honourable Mr. Sethna, but I take it Honourable Members are aware of the text of that Resolution. During the discussion on the Resolution in the Council of State, Government induced the Honourable Mr. Sethna to withdraw his Resolution. And I find—a thing which is not surprising in the other House—that the Honourable Mr. Sethna found out this excuse—that, if an economic inquiry were instituted, people would think that it was with a view to, and an effort at, increased taxation. Well, Sir, I should like to say that it is only when you have a Committee consisting of men who are admittedly not the representatives of the people going into an inquiry, deliberately with a view to further taxation, that the people would have the apprehension, and not in the case of a Committee such as we suggest.

Sir, the Honourable Mr. Patel has referred to the personnel of the Committee. I will just remind the Honourable Sir Basil Blackett of something which he said in the Council of State on the 4th February. “They will meanwhile”, he said, “be going on with the expert committee on taxation.” So the Taxation Committee, the personnel of which has been described by the Honourable Mr. Patel, is an expert taxation committee? Experts indeed!

I can well understand a committee of real experts, but I do not understand a fancy and fashionable committee of political prize-babies.

The Honourable Mr. A. C. Chatterjee : Will you name your committee of experts?

Mr. T. C. Goswami : When occasion arises I hope to be able to do so.

When you talk of the expert opinion of any committee constituted by the Government, I am reminded of what an eminent educationist once said of the imported Imperial Education Service : " Every bottle-washer is a chemist in India." And, of course, the Civil servant is omniscient ; he sings :

" Got any rivers they say are uncrossable ?

Got any mountains you cannot tunnel through ?

We specialise on the wholly impossible,

Doing things that no man can do."

We want the Committee to be composed of representatives of the people who inspire confidence in the people, and of experts. That is why I have framed my amendment in that way. I want two-thirds of that central committee of inquiry to be composed of accredited representatives, and we shall associate with that committee other men who are experts in this department.

The Honourable Mr. A. C. Chatterjee : Such as ?

Mr. T. C. Goswami : I shall suggest the names when you accept my recommendation.

I would suggest the following mode of inquiry. I would like to have a central committee ; and that is the committee which I suggest in my Resolution,—a central committee to settle the plan of inquiry and to set up provincial and local committees to harness all local organisations to secure information. I do not think that the Honourable Mr. Lalubhai Samaldas's estimate of 20 years is anything like correct.

The Honourable Mr. A. C. Chatterjee : More like 50 years ?

Mr. T. C. Goswami : We want an inquiry into the present system of taxation ; in fact a system of taxation has yet to be created in India. There is no such thing as a " system " of taxation in India, and that is not created by a trip to Switzerland, even with letters of introduction from the Honourable Sir Basil Blackett ; but by studying the economic condition of the country in the country.

I notice that recently in America they are uneasy about their system of taxation. I find in the Proceedings of the Academy of Political Science a paper recently read by an eminent Professor, Mr. Thomas S. Adams, on this subject. He says that the Senate has suddenly awakened to the fact that all is not well with the Bureau of Internal Revenue. He further says, the Bureau of Internal Revenue is staggering and stumbling under the burden of income-tax largely because it is loaded and inexpertly distributed.

I do not deny—on the contrary, I very strongly affirm—that there is need for an inquiry into the methods of taxation. I do not want to call it a system of taxation because it is not a system of taxation ; but before you can have a real inquiry, as the Honourable Mr. Patel has very rightly pointed out—in order that you may have a real inquiry into taxation—you must have an economic inquiry. I know that it is a laborious process, very laborious indeed ; and that is a thing which I acknowledge. Not only that, I say the labours involved are very unlike the labours of other Commissions which we have experienced. The labours involved would be

very much greater than, for instance, the labours involved in the Lee Commission, and it will engage, if the inquiry is going to be real, some of the best men of our country for months—probably for two years. I noticed in the newspapers a report of a speech by the Honourable Sir Basil Blackett on this unfortunate Committee, in which he is reported to have said that he wanted to utilise the results of the Taxation Committee during his term of office. Well, I admire Sir Basil Blackett's solicitude for improving the country, but I venture, to think that even if the results of the inquiry which I propose and which I think most of the Honourable Members of this House agree in proposing, do not come during the term of office of Sir Basil Blackett, it will not be such a great calamity for India.

Sir, pointed reference has been made in this House to the poverty in India, but recently we had Sir Alfred Mond's illuminating speech—in a London club was it?—about the wealth of India. Millions of pounds of jewellery used to be strewn on the tables of the Indian friends of Sir Alfred Mond. Well, Sir, I have known the Honourable Sir Basil Blackett in the past to have relied for his history and economics on such travellers' tales as the *Memoirs of Bernier* and the *Memoirs of Tavernier*. I do not know if he will base his further economic policy on the "traveller's tales" of Sir Alfred Mond. As for myself :

" I shall not want capital in Heaven
For I shall meet Sir Alfred Mond,
And we shall both lie together, lapt
In a Five per cent. Exchequer Bond."

Sir, about poverty I should like to quote, though the time is very short, I should like to quote a passage from Mr. Gokhale's speech delivered in 1902 : and though the time is short I think it will bear repetition. In that speech, delivered nearly a quarter of a century ago, from his place in the Imperial Council he emphasised the need for such an inquiry as I have proposed, and he says that such evidence as was available to him :

" I venture to say, points unmistakeably to the fact that the mass of our people are not only not progressing but are actually receding in the matter of material prosperity. I have here certain tables compiled from official publications relating to (1) census returns, (2) vital statistics, (3) salt consumption, (4) the agricultural outturn of the last 16 years, (5) cropped area in British India, (6) area under superior crops, and (7) exports and imports of certain commodities ; and they establish the following propositions :

- (1) That the growth of population in the last decade has been much less than it should have been and that in some Provinces there has been an actual decline in the population.
- (2) That the death-rate per mille has been steadily rising since 1884 which points to a steadily increasing number of people being underfed.
- (3) That the consumption of salt which already in this country is below the standard required for healthy existence has not kept pace even with the meagre growth of population.
- (4) That the last decade has been a period of severe agricultural depression all over India.
- (5) That the net cropped area is diminishing in the older Provinces and that the area under superior crops is showing a regrettable diminution.
- (6) That the export and import figures tell the same tale, namely, that the cultivation of superior crops is diminishing and cattle are perishing in large numbers."

Well, I shall quote also official testimony. Sir Narasimha Sarma, in the Council of State, said :

"I am not going to disguise from this House my anxiety, as the Revenue Member, with regard to the food position and the distressing poverty prevailing among certain classes of the people. After all, at the present moment we have only a little over an acre of cultivated land per head of population."

Then, Sir, I will take the liberty of quoting Sir Basil Blackett himself on the subject. I believe this quotation has already been made by Mr. Rama Aiyangar. He said :

"The existing poverty of a large number of the people is obviously also very great and no Government can with equanimity look on and not wish that they could do something to improve it."

My complaint, Sir, is that Government are still looking on and I am afraid that Government as they are constituted will continue to look on without being able to do anything for the amelioration of poverty.

Mr. President : I would ask the Honourable Member now to bring his remarks to a close.

Mr. T. C. Goswami : Sir, by a curious oriental paradox, a retrenchment committee was succeeded by an extravagance committee. Money must be found, as Mr. Patel said, for the Superior Services, for making the lives of European officials a little more than comfortable, for laying out inducements for fresh shipments of embodied prestige, to secure that what is lost in prestige (as a result of political movements) is at least made up in perquisites. But while these men can always form trade unions—and I understand my Honourable friend, Mr. Chatterjee is bringing in a Trades Union Bill very soon—and can go on strike in protest against their starvation wages, or perhaps join Mr. Willson's firm where wages are paid running up to six figures, as he told us, it is hardly possible to ask the whole of the Indian population to go on strike or secure a remedy by seeking employment in my Honourable friend, Mr. Willson's firm. A future poet, perhaps it may be an English poet, will sing of the present constitution as "broadening down from hypocrisy to bankruptcy." The Lee Commission agitation has somewhat contradicted the late tall talk about the selfless zeal of English officials who come out to India at great sacrifice, to do good to the people of India.

Sir, my time is short and I shall not detain you any longer. But I repeat the proposition which has been challenged by Sir Basil Blackett on the authority of perjured history,—that impoverishment in India, if not a direct result of British rule, is a standing disgrace to this administration ; and I affirm this proposition solemnly—because I too have studied history as best as I have been able to—that the greatest indictment against British rule in India is not so much political—because for our political disabilities I am prepared to accept for my countrymen 75 per cent. of the blame—but I say the chief indictment against British rule in India is economic. Well, Sir, I shall not delay your luncheon ; and with these few words I move my amendment.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : I had not intended to take part in this debate, for the very simple reason that my Chamber have already communicated their views to the Government of India regarding this Taxation Committee and I felt that I had hardly anything useful to add to this debate by any further remarks. But when I heard my Honourable friend the Finance Member at least for once quoting me with approval in spite of the allegations about my being spoilt with political colour about which the Chief Commissioner of Railways yesterday said such a lot

to this House, I felt that it is an occasion when I must tell the House the whole story and not rest content with the House knowing only portions of my speech in the other place as quoted by the Finance Member. Sir Basil did me the honour of quoting a portion of what I said in the Council of State. I will complete that with what I ended my speech with and I hope that will still retain to me his approval of the views that I there expressed. I ended in the Council of State with this as the last paragraph. I said :

“ I feel, Sir, that the day is still distant when this Council can give any support under any guise to the most fascinating proposition, to anything that will lead to or even smell of new taxation. We want retrenchment, we want a balancing of the budget with the present taxation, not any increase in it and until that is achieved, until there are surpluses, until indeed there is more contentment amongst those who are taxed, I do not think that this House can seriously consider any suggestion made with the best of motives in connection with taxation. For, the apprehension may be this, that there may be new avenues of taxation found and suggested recommended and perhaps accepted by the Government be it against the strongest opposition of these two Houses. What the Honourable Mover seeks is a readjustment of the whole thing but there may be thin years and there may be fat years. In the case of a thin year what may happen is that the new avenues of taxation may come and the readjustment may be put off for a better day, and in the case of Government treasuries all over the world, with all deference to the benches opposite, the readjustment when it is a question of giving on the part of Government, is long in coming.”

Sir, that was my conclusion on the Resolution moved in the other place by the Honourable Sir Maneckji Dadabhoy.

Now, this inquiry which is the subject matter of the discussion here is an inquiry for finding out better modes, and certainly further modes of taxation. There is no doubt about that. I have not heard anything, nor do I find anything in the terms of reference, which makes it compulsory on the Committee that the Government have nominated, to find out what it is that the people of India can stand. We have heard extreme views in this House regarding the prosperity or the misery of the masses of India. I do not wish to add one word more to these two extreme views that have been heard to-day, but this at least is clear from what has been expressed with so much force, with so much feeling, and if you like it with so much resentment by one side or the other, that we cannot go on very long without this House being in a position to know exactly what is the taxable capacity of the people of India and up to what point they could be taxed. I happen to be one of the deputation—now known as the commercial deputation urging retrenchment, which waited upon His Excellency. I then said that my electorate felt and that the Indian commercial community very strongly felt that the taxable capacity of the people of India had not only been then reached but had been exceeded. My esteemed colleague Sir Campbell Rhodes who led that deputation differed from me. Can we go on very long without having the inquiry of which is pressed on Government by my Honourable friend Mr. Goswami in his Resolution, and irrespective of the nature and the terms of reference to the Committee that has been already appointed. There is every reason to believe that this House sooner or later will insist upon having, and will not rest until it has had, a full inquiry into the taxable capacity of the people by persons who enjoy the approval of this House.

Mr. R. Calvert (Punjab : Nominated Official) : Sir, I propose to confine myself to that part of the amendment which relates to a proposal to have a thorough inquiry into the economic conditions of the

people of India, their income per head and the general resources of the country. That amendment, Sir, is really in three parts. It asks first, for a general inquiry ; secondly it asks for an inquiry by the Government of India ; and thirdly, it says that the agency should be a committee including Members of this Assembly. Now, Sir, I am entirely in favour of an inquiry into economic conditions. I have myself been engaged in carrying on such inquiries for many years past, and a good many of my colleagues are also trying to throw some light on the general economic conditions of this country. But, Sir, with all due respect to the Government of India, I beg to say that I do not think that they are the proper agency for carrying on such an inquiry ; and, if Honourable Members will kindly excuse me, I should like to say that this Assembly is not the proper body to select the members of any committee for this inquiry. It seems to me, Sir, that this is very largely a matter for Provincial Governments. If an All-India inquiry is desired then the obvious body is the Indian Economic Association. It is rather curious that, although so many Members of this Assembly are prepared to speak on economic questions, there are very few of them, indeed, who are members of the Indian Economic Association. Now, Sir, my objection to an inquiry by a committee is that, as has been already said, it would take at least 20 years to arrive at results which would carry weight outside this country. Actually, in the Punjab, we have set up a Standing Board of Economic Inquiry divided into a rural and an urban section ; and this Board has been at work for about two or three years and is slowly producing results. Our policy there is to appoint investigators who are solely engaged upon collecting facts. We leave the readers of those reports to draw the deductions from them.

Now, Sir, in a general inquiry there would be three prominent dangers. There is the danger that the inquiry might be confined to too small a scope. India is such a vast country that any committee that set out to make a general inquiry might attempt to confine itself to too small a scope, and its deductions from the particular to the general would be vitiated by the fact that the premises were insufficient. Then, Sir, there is the obvious fallacy which appears in this amendment, the " average " income per head. There is a third fallacy which creeps into all these discussions, namely, we should try and inquire into the conditions of a typical tract or a typical village. Let me, Sir, illustrate what I mean by the danger of confining the inquiry to too small a scope. Our Standing Board of Economic Inquiry has practically brought to a conclusion an inquiry into mortgages of agricultural land. We took an assessment circle of 35 villages and have carefully gone through nearly 5,000 mortgages. The result of that examination is to bring out certain very definite, very clear conclusions. In so far as that area is concerned, those conclusions are irrefutable. But like every one else, I would hesitate to say that conclusions drawn from a detailed inquiry into 5,000 mortgages in one part of the Punjab would have any application, say, to conditions in other parts of the Punjab or Madras or Assam. Then, Sir, there is this danger about the " average " income per head. It is no comfort, for instance, to those friends of Mr. Patel, who, he says, have one meal a day, if we reply that the average number of meals in India is one and three quarters. An average applied to anything concerning human affairs is apt to be very misleading indeed. I shall give you, again, an illustration from

an inquiry which I myself have just brought to a conclusion into the size and distribution of agricultural holdings,—the average agricultural holding in the Punjab is 8 acres. But when you examine the holdings by classes, you find that only 18 per cent. of the holdings fall into class 5—10 acres, while about 58 per cent. fall below that; and if we try to arrive at any estimate of average income per head, we should find that the vast majority of the people of India came below that estimate, and it would be perfectly valueless. We are actually trying detailed inquiries into what we try to think are typical tracts, and I hope very soon to be able to publish an estimate of the average income per head of a certain definite tract. That average income per head, although it may possess all the fallacies attaching to such averages, will be perfectly useless for any other part of India except the particular tract to which it applies. Now, Sir, Mr. Goswami would like us to arrive at an estimate of the average income per head, but he very carefully avoided explaining what he meant by “income”. There is of course published in England a statement which enables you to deduce a figure for average income per head in Great Britain. That estimate is based on income-tax returns. But in England the number of assesses is something like $2\frac{1}{2}$ millions, probably covering 10 million of the population, and the average income per head which is published occasionally is based on the incomes of those $2\frac{1}{2}$ million people, the incomes of the remaining 35 million people, which are below the income-tax limit, being merely guessed at. Where you have a very large number of assesses, it is possible to make a mathematical calculation of the average income per head. Where as in India, you have a population mainly agricultural, with less than three lakhs of people declaring their income, it is practically impossible to arrive at any estimate whatever. Sir, the estimate which is given about income, and which one Honourable Member quoted, is only the money income; it entirely ignores other sources of income which are not declared in the income-tax return. Now, Sir, if we take a simpler thing than the average income per head of the people of India, namely, the average production per person employed in any industry, then we can arrive at some useful figures. We can say, for instance, that the average gross production of persons employed in the Bombay cotton mills is a little over 1,100 rupees; that is the gross production. The net production could easily be found out. We can say that the average gross production of miners employed in Indian coal mines is 415 rupees a year. We can say that the average gross earnings of railway employees is about 1,118 rupees per person employed. These figures, Sir, are useful, inasmuch as they explain why the nett income is so small. If the value of production per person employed is Rs. 415 per year, it is clear that the income of these miners must remain small, and similarly if the average gross production of all persons employed in cotton mills in India is Rs. 916 per head, then it is again clear that the real reason of the low income in India is the low standard of production. Now, Sir, it is quite easy to arrive at the average income per person employed in any particular and definite sphere. I can give the average income for the money lenders of the Punjab. You can give an average income of the workers employed in the Bombay cotton mills. But that again would not give us the average income per head. For we have no knowledge of the dependents or of the number of idlers and beggars; and these we must take into consideration; all of whom bring down the average.

Now, Sir, there is one more objection to any attempt to arrive at any figure of the money income in this country, and it is that we have no means whatever of finding out the value of the work done by women. In a country like England, where women earn wages, it is possible to arrive at a rough estimate of women's work. In a country like India where wage-earning is almost entirely confined to men, it is perfectly impossible to take into consideration the work done by the women, household work, domestic duties, work in the fields, etc. We are trying in the Punjab to arrive at the average wages of labourers in rural areas expressed in money value. But supplementals are difficult to value, such as the value of free grazing, free site, free food, and other little amenities which come in in the life of a villager. We know perfectly well that we shall never arrive at any figure which is very correct, because you cannot put an accurate money estimate on things like that which are never priced in open market. Although I very strongly think the prosecution of further economic inquiry is essential, I do urge this House to leave the Government of India alone and impress on their Provincial Governments that they ought to do something on the lines we are doing in the Punjab, by setting up some competent men to form a non-official body—which will employ investigators and carry on these inquiries steadily from year to year, not merely have an *ad hoc* inquiry which is to sit for 20 years and then come to an end. After all, India is as large as Europe without Russia, and ever since the days of Adam Smith, there have been in Europe a very large number of inquiries into economic conditions. And yet, Sir, as we all know, on an issue like protection, for instance, there is still very wide difference of opinion; and if you come to the question of how best we could improve agriculture, you will find that practically no two economists will agree, even though inquiries have been going on there in thousands of places. So, Sir, I would request this House to reject that part of the amendment which calls for an economic inquiry by the Government of India, and I would ask Members to refer it to Provincial Governments and ask them for a permanent board of official and non-official members who should carry on the inquiry which we all desire.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : Sir, I wish to support this demand for an inquiry into the economic condition with a very few words. I do not altogether for the reasons which have been advanced by my friends here, but for reasons of my own. I am not wedded to any particular theory with regard to the ratio of taxation, nor have I any particular thesis to prove. It has been stated that the people have been taxed beyond their capacity. I do not wish to commit myself to any general statement of that sort. It has been said that India is getting poorer and poorer. I do not wish to subscribe to that belief. There have been several statements put forward from the platform, by the newspapers and by politicians at different times that India is getting poorer, that 40 millions of people are living on one meal a day or that the average income per head is Rs. 30 or Rs. 60 or Rs. 70. I do not wish to commit myself to anyone of these statements. General statements of this description are extremely fallacious. Unless and until we have a scientific inquiry into this subject of the economic condition of the people, it seems to me to be hazardous to indulge in general propositions of that sort. Nor do I believe that any conclusion as to the average annual income of the people in this country will furnish any reliable basis

for taxation. It reminds me rather of the story of the man who, after ascertaining the average depth of a stream, attempted to ford it in the deepest part. These averages are most often misleading. They may be of use perhaps for some purposes, as for instance when you compare the average income with the average taxation. But for the practical purposes of the Legislature and of the authorities who have to impose taxation, what is required is not so much the question of average income as the income of particular classes. That is an inquiry which is beset, I know, with great difficulties and is one of great complexity. It is an inquiry which cannot possibly be satisfactorily concluded within a period of at least four or five years, to make a most cautious estimate. But all the same, in spite of the fact that the inquiry will have to be a prolonged one, I think it is an inquiry from which the Government ought not to shrink. I have no doubt that the Government will come out of the inquiry with credit. Poor as the country is and making allowance for all the ignorance, poverty and ill-health to which my friend Mr. Patel referred, I, for one, do not believe that we are getting poorer or that we are getting more ignorant or that there is more ill-health now than it was before. There is absolutely no ground for any apprehension on the part of the Government that the results of the inquiry will in any way be damaging to their reputation. The Government have been challenged so often to make such an inquiry, and its results will be so valuable and instructive as regards the general condition of the people, that they ought not to lose any time in undertaking such an inquiry. Whether this inquiry should be entrusted to this particular Taxation Committee or should be started independently is another matter. With regard to the conduct of this inquiry, my own idea is that it requires investigation along many different lines. It requires the investigation of numerous subjects, as, for instance, prices, wages, rents, interest, trade indebtedness, industries, manufactures, agricultural holdings and methods, mobility of labour, standards of living, housing, clothing, and a number of other factors. The proper course would be to get together a body of experts, for instance, like the Economic Conference, and ask them to suggest the various lines along which information and statistics have to be collected, and give instructions to the Local Governments and to the various authorities to collect the required statistics and information along these various lines for a period of three or four years. When these results have been collected, then appoint a committee to go into the statistics and information, examine the relative weight of the different factors and come to definite conclusions. That in my opinion would be the proper course to pursue, not to ask this particular Taxation Committee or some other Committee to sit together and come to some definite conclusions on the spot. The statistics are not available, and the data have not been collected. In the interests of Government themselves they ought to take up this challenge which has been thrown down so often and so repeatedly and give the quietus to so many of the current fallacies.

Then with regard to this taxation inquiry I just wish to make a few remarks. At first sight I was rather inclined to look askance at this inquiry, and for this reason. Everybody knows that the sources of our public revenue are few and that they are inelastic. It may be urged then that this suggests the necessity for an inquiry into any further avenues of taxation which may be possible. But I am not very sanguine as to the results. I know that one avenue of taxation perhaps which has already been suggested to the Honourable Finance Member is the subject

of death duties. I have no doubt that he is casting wistful eyes upon that source of revenue ; but I know of none which would be more unpopular. Apart from that particular source of revenue, what I wish to point out is that at present, so long as Government remains irresponsible to the people, I have no inclination to place further revenues at the disposal of Government to swell the military expenditure or to allow them to be absorbed by further payments to the numerous Services, not merely Imperial but subordinate. They are always asking for more, and from the Imperial services the demand will spread to the Provincial and subordinate services and from the civil to the military. The more revenue you raise, the more liable it is to be swallowed up in payment to these Services. This was the reason of my reluctance to put more money into the hands of an irresponsible Government. On the other hand, the question of Provincial contributions has to be settled in the interests of the administration of India as a whole, and the fact that it cannot be solved unless you examine the system of taxation and the possibility of re-adjusting sources of taxation between the Imperial Government and the Provincial Governments have made me change my attitude somewhat. While I am not therefore in favour of suspending the inquiry by this Committee I think the Government ought to make up their minds to start the other inquiry into the economic condition of the people—an inquiry to be conducted on as scientific lines as possible and in a perfectly disinterested and detached spirit, so that we may arrive at correct conclusions with regard to the material progress of the people. The results of such an inquiry cannot fail to be of great value.

Sir, with regard to the desire to place taxation on a more scientific and equitable basis, I do not believe that the wit of man has ever yet succeeded in devising a thoroughly scientific, equitable and popular system of taxation. I do not think there is much that is wrong with the existing system of taxation, and I am pretty certain that any system of taxation you can devise will be equally unpopular and unacceptable. I am sure that among those who advocate this reform of taxation on a scientific and equitable basis a large majority hope that their burdens may be shifted on to their neighbours' shoulders, and that there are some who believe in a millenium when it will be possible to carry on a complex and civilized system of administration with a light or no taxation. I am afraid I cannot bring myself to entertain any of these opinions. But we are face to face with an urgent problem in regard to this question of Provincial contributions, and that is why I have reluctantly made up my mind not to oppose the inquiry into the present system of taxation, but to urge at the same time an inquiry into the economic circumstances of the country.

Mr. H. G. Cocke (Bombay : European) : Sir, I quite agree with the Honourable Member who has just sat down that if any inquiry is to be conducted at all into the question of the economic situation in India, it should be done, not by this Committee but by some other authority. Mr. Calvert has suggested that it would be far better done by Local Governments and local authorities, and I think that will prove to be the case undoubtedly. But the collection of statistics for a period of 3 or 5 years, as has been suggested, might be an exceedingly valuable preliminary to any definite inquiry whether undertaken by a Local Government or by a Committee appointed by the Government of India.

A considerable amount has been said to-day on the subject of averages, and I think the fallacy underlying many of the averages which have been suggested has been exposed by Mr. Calvert. One need only refer to the case of mill hands, where we will say the average income of a certain set of mill hands is Rs. 500 per annum, and compare their average income with that of an equivalent number of agricultural hands 10 miles away who live on their land with their own livestock. Any average income per head per annum arrived at from such essentially different kinds of labour would obviously produce a result which would be of very little benefit to anybody. The suggestion to suspend this Taxation Committee which has been appointed, purely because it does not deal with quite another matter, seems to be an absurd one, and I trust that part of the suggestion may be withdrawn. The powers of this Committee which has been appointed have been brought into question as well as the personnel of the Committee; but I think Sir Basil Blackett has made it perfectly clear that the powers which this Committee have are ample for the purpose in view; and as regards the personnel I do not think it does any good in this House to pick holes in the people who have been selected for this work. It is exceedingly difficult to get men who are really competent to undertake an inquiry of this sort; and the suggestion in the amendment that, of the Committee which it is proposed should take the place of the Taxation Committee, two-thirds of that Committee should be appointed by this Assembly seems to me a very foolish one. You have got to consider carefully who are the most competent people and I do not think this Assembly is the right tribunal to select experts of this sort. A suggestion was made in the Steel debate that this Assembly might appoint some of its number to go into the question as to the enhancement of the duties when that became necessary owing to a fall in exchange or rise in exchange or any other cause necessitating an alteration of the tariff that was fixed, and it was pointed out that that was essentially a matter for an expert committee such as the Tariff Board; and in this case it is still more necessary I think to have an absolutely expert committee, which this Assembly could hardly be competent to select. When we hear in this House of the great poorness of this country, the miserable lot of the agriculturist and so on, and we are told that the British have done ~~nothing~~ to improve these conditions, one cannot help looking round the country and remembering the railways, ports, irrigation works and mills, which have obviously been a source of very great employment and profit to the community. I have considerable sympathy with the Finance Member; on the one hand he is told that he is overtaxing the people, and on the other hand he is told that he does not raise sufficient money for the purposes of educating them. I have no great objection to the amendment as it stands, except to the first and last portion of it; but I do not think all the same that this proposed Central Committee is the best way of getting the result which is desired.

Mr. President : Amendment moved :

"In the amendment of Mr. Goswami, after the words 'general resources of the country' to insert the words :

'and an investigation into the defects of the prevailing system of Land Revenue Assessment'."

Mr. A. H. Lloyd (Member, Central Board of Revenue) : I am afraid, Sir, that the House will perhaps not have much patience with a Member on the Government benches rising to intrude a few practical conclusions in a somewhat exalted political atmosphere. This is not the first

time that a Member on this side of the House has thought it his duty to do so. But I think I am compelled to make a few observations in this direction as a member of the Central Board of Revenue, the constitution of which was referred to by the Honourable the Finance Member in his speech at the beginning of this debate. The Central Board of Revenue has been charged with the supervision of the administration of those taxes which are collected direct for the Central Government, or by the Central Government, and there also falls within the range of its duties the first handling of taxation questions in which points, whether of a conflict of interests or some other overlapping between the interests of two Provincial Governments or between the interests of the Central Government and those of a Provincial Government, arise; and in the comparatively brief space of time during which this Board has been in exercise of its functions, a considerable number of points have arisen which make it clear that the taxation inquiry referred to in the first part of the Honourable Mr. Goswami's amendment and of the Honourable Mr. Rama Aiyangar's Resolution is a matter of urgent necessity. The Honourable the Finance Member referred to one point only, that is to say, to the clash of interests between different provinces in the matter of excise revenue. I am aware that the Honourable Mr. Goswami, and I think, in fact, all Members of the House who have touched upon the subject, have expressed themselves as satisfied that there is need for an inquiry of some sort which would cover these points, and I do not, therefore, propose to elaborate this aspect of the matter at very great length, because to do so would be bringing a battering ram to an open door. But I think that I should mention a few matters in order to show that the case is really an urgent one. As I have said, the Honourable the Finance Member referred to the clash of interests between different provinces. Another very serious problem is the clash of interests between Provincial Governments and the Central Government in several directions, and in particular, in regard to the same matter of excise. The arrangements made, with the Reforms, in regard to revenue left the collection of a tax, that is to say, of customs duty on alcoholic liquors to the Central Government, and at the same time, left the collection of all other taxes upon alcoholic liquors, that is to say, the duty upon alcohol produced in the country and also license fees, to the Provincial Governments. The conflict of interests so created was obviously bound to lead at a very early date to serious problems. I may mention one or two. The Government of one province has in the Resolution covering the report of its Board of Revenue clearly stated that it was in order to compete with imported liquor that they reduced the rate of duty upon similar spirits made in the province below the tariff rate. Another province, the Central Provinces, which has declared prohibition to be the ultimate goal of its excise policy, has adopted the policy of enhancing the duty rates on spirits. It is a very unfortunate position when one province considers such a step necessary, while another province which is no doubt equally interested, I will not say in working towards a definite goal of prohibition, but at any rate in pursuing and developing the established policy of working for temperance, should in order to protect its revenue against encroachment by the Central revenues find it necessary to drop its duty. Another case which has arisen in connection with several provinces is the matter of the duty which is assessed on spirit used in making medicinal preparations and the like. I believe I am correct in saying that it began with the province of my Honourable friend Mr. Goswami. It has gone on elsewhere. These provinces have fixed a considerably lower rate of duty for such spirits than is fixed by the customs tariff. This is not, I

think, so much a matter of trying to secure for the provincial administration revenue which otherwise would go to the central administration as a measure of industrial protection. It was felt that certain firms which used such spirit in manufacturing medicinal preparations were at a disadvantage in competition with the imported preparations and so, as I say, it was a measure of industrial protection. Now, we in this Assembly are rather disposed to think that the policy of protection through tariff action is our own province; and it is a matter at any rate for investigation whether some measures should not be taken to confine the activities of the various Governments to particular spheres in the matter of taxation. Then there is the question of income-tax. Income-tax has already shown signs of overlapping to some extent with certain provincial taxes. In Madras the High Court has held that the tax charged by the municipality on companies is a legitimate deduction from profits for the purpose of assessing our Central income-tax. Again there is the question of the amusement tax and income-tax. There is at least one large Turf Club in India which has to pay an amusement tax to the Provincial Government and that quite obviously is an instance of overlapping with the income-tax which it has to pay and does pay in large quantities to the Imperial exchequer. Other problems are the share which the provinces claim in the collections of income-tax. At present a proportion of the tax on the annual income in excess of the income assessed in 1920-21 is given to the provinces. And here again, not only is there a possibility of misunderstanding between the Central Government and Provincial Governments, but also the interests of two Provincial Governments may come into conflict. Many companies may have their offices established, for instance, in Bengal, in Calcutta, while their operations are conducted in another province, a tea company in Assam, a coal company in Bihar and Orissa. This particular question has been a matter, I think I am correct in saying, of *ad hoc* adjustments. But it is just because *ad hoc* adjustments create a most embarrassing body of case law which can lead to a great variety of false analogies, that the scientific inquiry which is now proposed is urgently necessary. I think therefore, Sir, that the first part of the Resolution moved by the Honourable Mr. Rama Aiyangar and the amendment moved by the Honourable Mr. Goswami, for the dissolution of the Taxation Inquiry Committee, fail to realize what a pressing problem this is.

As regards the general inquiry into the conditions of the masses of the people and into the possibility of raising the general level of prosperity, it appears to me that practically every speaker to-day has failed to take into account what the Honourable the Finance Member said as regards the action which the Government of India have already taken in this matter. The Government of India have no desire to shirk an inquiry of this sort. They are already in correspondence with Local Governments on the subject. Mr. Calvert has given very good grounds for disputing one point. It is a matter of opinion whether the inquiry can best be carried out centrally or locally. But the Government of India, as the Honourable the Finance Member has said, are quite prepared to undertake that inquiry, consider such an inquiry desirable if it can be undertaken, and have no desire to shirk it. The inquiry is an inquiry into the present economic conditions of the country. This is not the inquiry for which the Honourable Mr. Patel and the Honourable Mr. Chaman Lal press. It is perfectly clear from the remarks which have fallen from their lips that what they desire is an

inquiry which will be conducted with the object, and—if they have their way in selecting the members of the Committee—with the result, of proving what dreadful things the British administration has done for India in the past. It may be for political reasons very desirable to these gentlemen that it should be proved that the British administration has been a curse to India, but that seems to me quite irrelevant to what is the present economic position in India, and,—if Sir Purshotamdas Thakurdas wishes what is the taxable capacity of the people to-day.... (Sir Purshotamdas Thakurdas : I think Mr. Patel and Mr. Chaman Lall also wanted it for the same purpose.) Sir Purshotamdas Thakurdas reminds me that Mr. Patel and Mr. Chaman Lall want it for the same purpose. I grant that they said so, but what I wished to say was that from the rest of their remarks it was quite clear that their object was another one. Again, the Honourable Mr. Patel said that in holding this Taxation Inquiry Committee now the Government of India were putting the cart before the horse. He said that what was wanted was to find out whether taxation could not be reduced. That means an inquiry whether expenditure cannot be reduced. Such an inquiry was held a year or two ago ; the Honourable Sir Purshotamdas Thakurdas knows all about it. Demands have been made to reduce taxation. There is a limit beyond which taxation cannot be reduced. Several speakers on the opposite side appear to me to have failed completely to grasp the fact that this is not an autocratic despotism, that this is not the sort of Government that squeezes every penny it can out of the people for devotion to some unknown and unstated objects. Every penny which is spent out of the revenues of this country is accounted for, and the manner in which it is accounted for is brought to the notice of the Legislative Assembly, and a great deal of it is under their control. It seems to me curious that Members should have forgotten apparently that no taxation is collected beyond what is necessary for definite, real needs of administration. This is perhaps dragging me into the sphere of politics which I at the outset professed a desire to avoid. But I feel it necessary to mention this aspect of the matter, that the Government do not tax for the sake of taxing, and for the sake of some unknown beneficiary, in excess of the administrative needs of the country. I think I may leave it to the Honourable Mr. Cocke to point out as he has already done, that if the Honourable Mr. Patel considers that the British Government have not done enough to prevent epidemics of disease and to promote education, that is a measure of the extent to which they have failed to go as far as some people think they might have gone in imposing burdens of taxation upon the people of this country.

I, therefore, hope, Sir, that the House will realise that, whatever the need for a general economic inquiry, it is bound to be a matter, as the Honourable Sir Sivaswamy Aiyer has shown, which will involve a very prolonged and careful series of inquiries, and that the taxation Inquiry Committee's work cannot be postponed until after that other inquiry has been carried out.

22nd September, 1924.

The Honourable Mr. A. C. Chatterjee (Industries Member) : Sir, I followed the debate that took place on Thursday last on the amendments and the Resolution that are now before this House with very

great interest, and if I may say so, with considerable perplexity. My interest was aroused because I found successive speakers referring to the economic condition in which the masses of the people of this country live in their villages and in the various urban areas and industrial centres. Sir, until seven or eight years ago it was my good fortune both by reason of my official duties and on account of my personal predilections to spend more than two hundred days in the year in the villages, trudging the ploughed fields, talking to the villagers in their homes or in the Dalan, in the Chawpal or by the village well. I had to mix not only with the agriculturists but with the landless labourers, with the handicraftsmen, with the village artisans. In this House I think I can safely say that no one who has mixed with these people can but have an abiding affection for our toiling masses. We cannot help rejoicing with them when a bounteous rainfall assures a plentiful harvest ; not can we help sharing their pain and anxiety when the fields lie fallow under a scorching drought, or when plague or pestilence stalks through the land. Those who believe with me that political advancement is neither worth having nor will it be had without a corresponding economic progress of our masses cannot but welcome a serious discussion of the economic condition of the people by the representatives of the people in this House. But, I was perplexed by the trend of the debate that took place last Thursday because I found that it was developing into an acrimonious discussion as to whether the people were better off or worse off than they were at some imaginary and undetermined date in the past. Sir, I do not wish to be misunderstood. I do not deprecate comparative studies. If I may confess my own personal tastes to this House, I may say that my greatest interest in any studies outside my work is in the study of the social and economic conditions of this country in previous centuries. Indeed, it used to be for a long time my ambition that I might participate in the labours of the scholars who are now working both in this country and abroad at studying the facts appertaining to this fascinating subject, the social and economic conditions of India in previous centuries, and I do hope, Sir, that this rising band of historians and economists who are working in this field will receive very large reinforcements from our students in the universities, and that they will receive all necessary encouragement from the universities and where possible from the State. I also hope, Sir, that these scholars will receive munificent endowments for their researches from territorial magnates like my friend over there, Mr. Goswami, or from commercial magnates like my friend, Sir Purshotamdas Thakurdas, both of whom have evinced such keen interest in this question. But, Sir, we are not dealing with the past at the present moment. Our concern is with the present. Although we might derive most valuable lessons from a study of the past, I would earnestly advise this House to leave the study of the past to historians and economists in the seclusion of their studies or in their research libraries. I wish this House not to treat itself as a historical society but as a national Parliament which has to consider the present condition of the masses and to concert measures for their improvement.

Sir, there are two questions before the House. The first question is whether the Taxation Inquiry Committee which has been initiated by Government should proceed with their labours. The second question is whether there should be a general inquiry into the economic condition of the agricultural and labouring classes in this country.

So far as I am concerned, I can find no conflict at all between these two proposals and therefore I could not understand why speaker after speaker felt it his duty to deprecate one inquiry if he wanted to encourage the other. I confess that I have the very greatest sympathy with the proposal for a general economic inquiry into the condition of our masses, but as I have said already, my own view is that this inquiry should be made not in order to find out whether the people are better off or worse off than they were in previous centuries or even 50 years ago but this inquiry should be with the object of finding out their present condition and in order to discuss methods for their improvement. Sir, nobody disputes the poverty of the great masses of our fellow-countrymen, their low standard of living, their poor physique, their lack of stamina, their retarded intelligence. But we have to study whether these conditions have been caused by social circumstances, by the climate, by all the other factors that constitute their environment. We have also to study to what extent these conditions can be improved by social efforts and to what extent and to what degree administrative action or legislative action is necessary. Sir, I am an optimist like my friends opposite, the members of the Swaraj Party. I do believe that these conditions can be remedied. In my own experience I have seen the inhabitants of our villages, some of them miserable specimens of humanity, escaping from the most depressing environment of their own villages, from circumstances in which their physique was stunted, their intelligence was stunted, their mental freedom was stunted. They have escaped from these conditions into better environments and they have developed into citizens of whom any country might be proud. Sir, I believe that improvement is possible but I also realise the very great difficulties that lie ahead. I do believe, as I have said, in a serious, continuous and co-ordinated study of the condition of our fellow-citizens in the country ; but I also realise that in order that this study might be of any value it has to be spread out over a large number of years. I do not believe that it can be concluded even in a few years as my Honourable friend, Sir Sivaswamy Aiyer, seemed to think. I also believe along with my Honourable friend, Mr. Calvert, that for the purposes of such an inquiry you need not only Government officials but you want a whole army of trained expert investigators. For an inquiry of this sort you will need to study not merely the village records, records which are kept with meticulous accuracy in some of our Provinces—for instance, in the Province with which I am most acquainted, the United Provinces ; you will need to study the records of our growing co-operative societies, you will need to study all possible available records and you will want an army of investigators. As I have said it will take a long time. Those of us who have made any attempt to study the land revenue history of Northern India during the last 50 or 100 years are familiar with the settlement reports that used to be compiled by the officers entrusted with the settlement of land revenue in Provinces like the United Provinces and the Punjab in the seventies and the eighties of the last century. Those settlements were conducted in a leisurely fashion. The officers entrusted with the settlements had ample time and also ample staff. Their settlement reports are a mine of information to all students and even those records do not satisfy all the requirements that modern standards and modern needs prompt us to collect.

I think, Sir, I have said enough to indicate that a general economic inquiry will take a long time and will require not only the help of

Provincial Governments but also of a very large army of investigators I thought, Sir, from the speeches that I heard on the last occasion that there was an impression among Honourable Members of this House that the Government of India were opposed to such an inquiry. I have yet failed to understand why there should be any such impression. I think I have said enough to indicate that the Government of India are not opposed to any such inquiry. As my Honourable friend the Finance Member indicated the other day, the Government accepted a Resolution on this subject in the Council of State in February last and Government have been in consultation with Provincial Governments on this subject since then. As he stated, we have not yet received replies from all Local Governments and I do not wish to prejudge or even to forecast what the final decision of the Government of India will be. All I can say is that in my own personal view an inquiry of that description will require a very large number of investigators, will have to last over a very long time to yield any really valuable results and cannot be undertaken without the co-operation both of the Provincial Governments and of many non-official associations and individuals. Therefore, Sir, I wish that this House should not come to a hasty conclusion in this matter. I think I have indicated that we desire that there should be a full inquiry but the results of the inquiry would be valueless if we did not have a really good inquiry. I think there will be plenty of opportunities before any final decision is come to on this particular subject of a general economic inquiry,—I think there will be plenty of opportunities for further discussion on this subject both in this House and in the provincial Legislative Councils because, as I have already said, I agree with the Honourable Mr. Calvert in thinking that the Provinces also are vitally interested in such an inquiry.

Now, Sir, I come to the other subject, the original motion that was before the House, namely, whether the taxation inquiry should proceed. Here also I could not understand why Honourable Members of this House proceeded on the assumption—an assumption which so far as I can judge is entirely unwarranted by the facts of the case—that the underlying object of this taxation inquiry is to increase the burden of taxation on the people of India. I can find no such statement in the terms of reference which were published during my absence from this country but which I have studied with very great care. What are the terms of reference? With your permission, Sir, I should like to read them over again to the House. Paragraph 5 of the Government Resolution runs as follows:

“The following are the terms of reference to the Committee:

- (1) To examine the manner in which the burden of taxation is distributed between the different classes of the population;
- (2) To consider whether the whole scheme of taxation, central, provincial and local, is equitable and in accordance with economic principles and if not in what respects it is defective.”

I should like Members of this House to consider these two terms of reference without any prejudice and with an entirely open mind. Personally I should have thought that most Members of this House—Members who have sympathy with the badly-housed and poorly paid town labourer—I believe there are many such Members in this House who have sympathy with these classes—I should have thought

that they would welcome this inquiry into the incidence of the taxation on different classes of the population in this country. I should have thought that they would be only too pleased to have it ascertained whether the existing taxation bears hardly on any particular classes of the people and if so whether the incidence could not be moved from those classes to other classes better able to bear such taxes. Personally, Sir, I should have thought that they would welcome also the second term of reference, which includes a study as to whether the scheme of taxation is equitable and in accordance with economic principles.

Now, what is the third point of reference? "To report on the suitability of alternative sources of taxation." On the last occasion we heard an impassioned speech from my young friend, the Honourable Mr. Chaman Lall, who advocated what is known as the single tax, the taxation of land values. We also heard another impassioned speech from my Honourable friend, Sardar Gulab Singh. He advocated on the other hand quite the opposite panacea, the permanent settlement of land revenue in all provinces of India. I should have thought that both my Honourable friends would welcome an inquiry into the suitability of these alternative sources of taxation.

Then, Sir, the fourth term of reference is :

"To advise as to the machinery required for the imposition, assessment and collection of taxes, old and new."

I cannot conceive of any opposition to this term of reference. From the interpellations that I listen to from day to day in this House it has always seemed to me that there is considerable dissatisfaction amongst at least a certain section of Members with the manner in which two of our principal taxes, the customs duties and the income-tax, are collected. Then, why should you object to an inquiry with regard to the machinery required for the imposition and assessment and collection of these taxes?

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadden Rural) : May I ask the Honourable Member what is the exact significance of these words "old and new"? Does it presuppose new forms of taxation?

The Honourable Mr. A. C. Chatterjee : I take it that the word "new" refers to the alternative sources of taxation; for instance, if my Honourable friend, Mr. Chaman Lall's theory is accepted and we want to tax land values, surely if the Committee advises it, it should also advise with regard to the machinery required for the imposition, assessment and collection of such taxes....

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadden Rural) : May I ask what the word "and" means there? That new taxes will be tacked on to old taxes?

The Honourable Mr. A. C. Chatterjee : I do not think that these terms of reference can be construed in the same way as a legislative enactment. I do not think there is really much difference between "and" and "or" in a paragraph in a Government Resolution that is drafted by a man who is not an expert draftsman....

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadden) : May I, Sir, inquire whether the Honourable Member perceives

any difference between standardising the present rate of taxation and the reduction of taxation after the economic inquiry ?

Mr. President : These are argumentative questions which ought to form part of a speech ; they do not make appropriate interruptions.

The Honourable Mr. A. C. Chatterjee : With reference to the question which Mr. Duraiswami Aiyangar put a little while ago, I should like to refer him to the opening sentence of paragraph 2 of the Government Resolution. It is said there distinctly that the motive for the appointment of the Committee is not the need for meeting additional expenditure or any intention to increase the total amount raised by taxation in India. I beg of Honourable Members of this House to study these terms of reference and the language of the Government Resolution carefully, not as a legislative enactment but as expressing the views in very rough and very tentative language of Government.

Sir, I have said enough to indicate that there is really no difference of opinion at least between those who want an inquiry into the present schemes of taxation in this country and those who want a general economic inquiry. I think, as has been already indicated in the Government Resolution, the taxation inquiry will provide a good deal of material, indirectly no doubt, which will enable us to decide what would be the best lines for a general economic inquiry if one is initiated. It would help us very greatly in determining the scope and the method of such inquiry. I think I have indicated that there is no reason whatever for opposing the taxation inquiry simply because we want a general economic inquiry. I therefore earnestly ask all Members of this House to ponder over the question carefully and I hope that both the Honourable Mover of the Resolution and the Mover of the amendment will withdraw their motions.

Mr. President : In order to give a chance to some of the other amendments, I had better put Sardar Gulab Singh's amendment immediately.

The question is :

“ That after the words ‘ general resources of the country ’ in Mr. Goswami's amendment, the following be inserted :

‘ and an investigation into the defects of the prevailing system of Land Revenue Assessment ’.”

The question is that that amendment be made.

The motion was adopted.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Sir, I have closely followed the well-reasoned speech of the Honourable Mr. Chatterjee and I agree with him that the object of any inquiry now should be to aid us in the practical administration of the country and to better the poor condition of the people rather than to draw an odious comparison or a favourable comparison with the past. No object is served at all by going into the historic past and finding out whether the conditions then prevailing were better or worse than the present-day conditions. I am also of the opinion that the inquiry now started by the Government is a desirable inquiry. The objects of the inquiry as defined in the terms of reference are laudable in themselves. At the same time, my objection to that is that it is not thorough-going, it is not complete, it is imperfect, it is one-sided, and, if the inquiry is confined

to the terms of reference, the results afforded by that inquiry will be unsatisfactory, and will not help us or the Government to come to right conclusions in dealing with the propositions which they have laid before them. My amendment to Mr. Goswami's amendment seeks to remove two of the substantial objections to Mr. Goswami's amendment, and also one of the objections to Mr. Rama Aiyangar's original Resolution. Both of them desire that the present inquiry started by Government should be stopped—either suspended or stopped altogether. I am not for stopping the inquiry started by Government,—(*Mr. T. C. Goswami* : “It has not been started yet.”) proposed to be started. I want that inquiry to commence. But I agree with them that the scope of that inquiry is too narrow, and I therefore propose that, in addition to the subjects referred to that Committee, the subjects referred to in Mr. Goswami's amendment should also be included within the scope of the inquiry. In fact, on reading the terms of the Government Order forming this Taxation Inquiry Committee, one is led to infer that the Government are not averse to inquiring into the economic condition of the people. Their terms of reference (1) and (2) cannot be adequately inquired into without this exhaustive inquiry into the economic condition of the people. (1) and (2) contemplate such an inquiry and, if the Government object to enabling this Committee or another Committee to be formed to go into the economic condition of the various classes of the people of India, their income per head, their capacity to bear the existing burden of taxation, the resources of the country, why should they do so I fail to comprehend. They themselves contemplate such an inquiry, as I have pointed out, in clauses (1) and (2) of their terms of reference. They imply that and this amendment of Mr. Goswami's merely makes plain what is implied, as I gather from the terms of Nos. (1) and (2) of terms of reference. If they are not, as I see from the nodding of the head on the Treasury Bench—(*The Honourable Sir Basil Blackett* : “I did not nod.”)—then I should say that it is high time that they should be included. There should be no ambiguity about it. These terms also should be expressly embodied in the terms of reference.

The next point is whether the present Committee, as constituted, is sufficient—I do not say competent—to go into this detailed inquiry which is needed. I have the greatest respect for every one of the individuals who compose the personnel of this Committee. Two of them I know personally. One of them I know for 30 years—the President of the Committee—and I have certainly no objection to the Committee on personal grounds. It is quite true that if the inquiry is to be useful, if the inquiry is to be thorough, there should be a larger Committee than the Government now propose, and it should include in its personnel not only people from this country but experts from the West, experts who will bring to bear upon the execution of their task a fresh mind, an unprejudiced mind, a mind which is not accustomed to work in ruts, a fresh mind which will bring the Western ideas to bear upon an examination of the conditions in this country. I am therefore for dissolving this present Committee, as it has been composed. It does not mean that the gentlemen who have been asked to serve on this Committee should not be asked to serve on the new Committee which is to be constituted. It should be a larger Committee, which will be able to work in sub-committees, a larger Committee which will appoint various sub-committees to go into the various provinces and gather the materials

necessary in consultation and in collaboration. That is my object. The inquiry, I quite admit, will be a very wide inquiry indeed. But I do not think it will take that long time which Government Members and my Honourable friend Sir Sivaswamy Aiyer anticipate if such an inquiry were undertaken. The materials are already there. The records of the co-operative societies in the various provinces, the settlement reports of the various provinces where permanent settlement does not prevail, and in addition non-official inquiries which have been made already and official inquiries which have been made already are available, and those materials can be used. I do not say they will be enough. They will have no doubt to supplement the materials that they have already got. I know, for instance, in Bengal, during Lord Carmichael's time, he started an inquiry into the condition of the people in the villages—a very valuable record it was—and I know the Economic Association in Madras have collected materials as regards the economic condition in certain typical villages. For the inquiry which I have in mind, it will not be necessary to inquire into the conditions in all the villages in all the provinces. It will be enough if you take typical villages, typical classes of people, and hold an inquiry as to their economic condition. I think ample materials will be available. It may take a year or two or even three years. What is the objection to such an inquiry, which will be a thorough inquiry? What is the urgency of the measure now contemplated? What is it that the Government are after? It is not an academical inquiry they are after. They are apparently bent upon revising the systems of taxation. They think that the present system is not as scientific as it ought to be, and therefore they want to improve it. They want it to be more scientific. If they wish to make it more scientific, and if the object is not, as we have been assured this morning as also the other day, to find new sources of taxation—I think to put it more correctly it is not to find additional revenues,—it may be new sources of taxation—then what is the hurry of completing this inquiry in this imperfect manner? Nobody can deny that the two subjects are closely connected. You cannot find whether the present burden of taxation is equitably distributed between the different classes of the people and whether the scheme of taxation, central, provincial and local, is equitable and in accordance with the economic principles without finding out the bearing capacity of the people. You have to find out their standard of living, whether they have enough for living in comfort and whether you are taxing what is left after that comfortable living, or whether you are taxing the necessities of life. Sir, the population of this country consists mostly of peasant proprietors. In most of the provinces—take Madras, take the United Provinces, take the Punjab—you will find the bulk of the people,—the people owning land, are about 60 to 70 per cent. In my own province it is about 80 per cent.—are merely peasant proprietors. In their case, Sir, they are equally taxed in the same ratio as the rich people, and if you really have to find out alternative methods of taxation and some have been suggested—two of them have been suggested in the debates, namely, death duties and also land values—how can you advocate them or determine not to recommend those two alternative sources of taxation without knowing the real condition of these peasant proprietors, who after all, will have to pay either death duties or will have to bear the burden of a tax on land values? Sir, in my view, it is impossible to separate the two things. They are interdependent. You cannot come to satisfactory conclusions without

coupling the inquiries. I therefore suggest that nothing is lost to Government. I agree with them that you cannot avoid an inquiry into the questions which are contained in the terms of reference of the Government Resolution, and at the same time you cannot avoid the other inquiry which is suggested in the amendment. They must be contemporaneous. One of the instructions to the Committee which I propose may be that they should make interim reports in advance. If the Honourable the Finance Member is really anxious to proceed with certain matters he has in mind, then one of the instructions to the Committee may be, after they have acquainted them sufficiently, to make interim reports under different heads so that he need not wait for the final report. So, even if there is any urgency on any matter, it may be solved in that way. I therefore suggest, Sir, that the inquiry should embrace all these points and should be by a larger Committee which should include in its personnel representative non-official Indians and experts. I do not advocate any method of election. I do not object to all these gentlemen going on that Committee. But I do object, Sir, to this partial inquiry, which is contemplated by Government. It will lead to no satisfactory results. One thing more. This Government are making themselves unpopular in various ways. (*A Voice* : "They are already unpopular.") They are already unpopular and they are adding to that unpopularity. I know, Sir, that in province after province, the elected Members both of the old Councils and of the new Councils, have been pressing for an economic inquiry. I know, Sir, when I was in the Madras Legislative Council, we passed a Resolution in 1917 urging upon the Madras Government to undertake this economic inquiry into the condition of the people, but nothing was done. I know in other provinces it has been urged. It has been urged in every province. What is the Committee which you now propose? A Taxation Inquiry Committee. When you have added 49 crores of additional taxation to the Central Revenues, when Local Governments are imposing additional burdens in different ways, what is it that you now propose to make your Government more unpopular? You want a Taxation Inquiry Committee, whereas the cry of the country has been for an economic inquiry, you are pressing upon the country a Taxation Inquiry Committee. The term itself is objectionable. (*Laughter.*) My Honourable friend may laugh. (*The Honourable Mr. A. C. Chatterjee* : "What is there in a name?") There is a great deal in a name. You say that your object is to elevate the condition of the poverty-stricken millions. You admit that the bulk are poverty-stricken people in this country. Have an inquiry by all means. Put that in the forefront of the inquiry, and say, "Our object is to inquire into the condition of the people, to devise measures for their uplift, and at the same time to adjust the system of taxation on a more scientific basis." That the people can understand. What is it that you do? You say, "I want to adjust the system of taxation. I want to have a more scientific system of bleeding the poor people." That is what you want, that is how people understand it. That ought not to be encouraged. I would earnestly appeal to Government that nothing is lost by a prolonged but thorough inquiry. It is not an urgent matter. Even if the inquiry is not completed during the official lifetime of my Honourable friend, Sir Basil Blackett, for whom I have the greatest respect, when he vacates the Finance Membership he can go on that Committee and complete that task and thus help the country to come to

satisfactory conclusions. Therefore, I repeat, nothing will be lost, and I move the amendment that stands in my name.

Mr. President : Further amendment moved :

“ That for the words ‘ inquiry into ’ the words ‘ inquiry into the questions referred to that Committee and into ’ be substituted.”

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : Sir, it seems to me that the whole of this debate has taken place about a year too soon ! The Government have appointed a Taxation Inquiry Committee, and it seems to me that the right and proper course for us to follow is to let that Committee do its work and issue its report and one year hence, with that report in our hands, we might be in a very good position to debate many of the issues which have been raised to-day. Mr. Rangachariar says that there is, in fact, in existence some economic finding into the state of affairs in Madras. I have the volume in my hands. It is a large volume, it deals with comparatively few villages, and to hold such an economic inquiry as he proposes would necessitate a volume at least this size for every province in India. (*A Voice* : “ For every district.”) Well, I have in my hands this volume and I would like to call attention to what it says with regard to Indian poverty about which so much was made in the course of this debate. It says :

“ To draw conclusions with regard to the broad economic conditions of life in India from a single village would be foolish ; but even a single village may suggest far-reaching hypotheses, which it is worth while to state with a view to subsequent correction or verification.”

That starts off with one village and we should have to do the same for many others.

“ India was famous for centuries for its wealth. Recent writers, from Lord Macaulay onwards, assure us that India is extremely poor. The official estimate of the average income per head of the whole Indian population in 1898 was only £2, though that was, very probably, an under-estimate at the time, and would have to be very considerably raised now. My own estimate (this is a book by Dr. Gilbert Slater) for the average income per head in the Madras Presidency in 1916-17 is not less than Rs. 72..... The real wealth of any country consists mainly in sunshine, either sunshine received directly from year to year, or stored in the form of coal or oil. True, sunshine is valueless without rain, but Southern India has, over the greater part of its area, as a rule an excellent rainfall.”

Then, he goes on to say :

“ Other crops are produced in immense variety and many of these are extremely productive and profitable.”

I would recommend a study of this article to Honourable Members. It is on page 17. It is for one province.

But I want to call attention to the fact that India as a whole is not the poor country that we are asked to believe it to be. India is not a poor country, but a wealthy one, and an extremely wealthy one at that. (Laughter). True, the wealth is distributed inequitably, but the wealth is there and, as I hope to show, is able to stand a basis of taxation which we should raise for the further development of the country largely in the interests of those who do not at present possess a fair share of this wealth.

India produces arable crops of the annual value of Rs. 1,715 crores. That is a figure exclusive of the mineral resources, cattle, and so on and so forth, and therefore, I think you might take a total value at Rs. 2,000 crores. I invite those who wish to take the average income at either Rs. 30 or Rs. 72—I invite them to divide that figure by the population of the country and tell me the answer. Personally, I attach no value to that

answer, but I do say this that it knocks into a cocked hat the arguments that we have heard as to the ridiculously low income per head per annum in India. I am not interested in what happened 150 years ago, but I would like to call the attention of the House to some of the developments of India which have taken place in my own time. In the last 20 years since I have been here in India, the irrigated crops have increased from 203 million acres to 266 million acres—all under arable crops. In addition to that, India possesses some 90 million acres of some of the finest timber lands in the world. She has further 50 million acres of undeveloped land, and the new Barrage in Sind is expected to develop some 6 million acres and to add to the value of the crops Rs. 18 crores per annum. Now, Sir, if this is an achievement under British rule, is it an unfair figure to quote? What has been the result of the development of the Chenab Valley irrigation?

“A railway for the carriage of produce was commenced in 1895.....In ten years the population rose from 8,000 to 800,000. Lyallpur is now an important city with an enormous export trade. In 1919-20 the value of the crops grown on the land irrigated by the Lower Chenab Canal was no less than Rs. 16 crores, or nearly five times the capital cost of the work.”

Again, in paragraph 354 of this book, “The Land of the Five Rivers”, see what has been done to increase the value of the land.

“The first auction so held was in the Lower Chenab Colony in 1892; an average price of Rs. 43 per acre was obtained which was regarded at the time as highly satisfactory. In 1919, when about 3,500 acres of waste land in the new Lower Bari Doab Colony came under the hammer, an average price of Rs. 593 per acre was realized and a maximum of Rs. 1,105 per acre. These prices were somewhat speculative and later sales indicate that the present price of the land averages about Rs. 400. The flourishing condition of the people can be gauged from the fact that, in the latter colony, the price obtained for shop sites in the market towns has averaged nearly Rs. 40,000 per acre.”

That is a direct result of the irrigation. For irrigation, it is perfectly true, you may have to borrow money to build your canals, but the interest on that money has to be paid out of the taxation, and it is largely because of your irrigation and your increased works that your taxation has gone up by this figure of 41 crores additional taxation which we so frequently hear of in this House. But the wealth of the country has gone up by more than that figure. The rice crop has risen from 50 million acres in my own time to 80 million acres, an increase of 60 per cent. The acreage under wheat has risen from 25 million acres to 30 million acres and the produce has increased from 7½ million tons of wheat to 10 million tons of wheat, an increase of 33 per cent. These increases are out of all proportion to the rise in the population. Therefore, they have produced a surplus of crops which you have now available for export and which you do export and bring in the money from abroad.

Then on the question of poverty. We have been all but told in this House that thousands of individuals in India live on a slice of salt a day with a few crumbs of bread sprinkled on top of it. But, Sir, the poverty of the individual, regrettable as it is, is very largely caused by laziness. If the agriculturist is poor in cash he is certainly very rich in leisure!

If we had the findings of the Taxation Committee, they would tell us how to distribute our taxes. We ourselves, on our own responsibility, threw back into the country some of the revenue which we were getting on the salt tax. We threw it back in a form which reaches the poor man in a fraction of a pie per head per week or some useless figure which he can do nothing with. Had we distributed that money to the provinces, the provinces would have been able to build water-works, or go on with sanitation,

or some concrete solid thing which would last for ever and not be dissipated as our refunded salt tax is likely to be.

Part of the reason of the poverty is of course due to the early marriages. The poor quality of cattle is due to the fact that we grow far more cattle, more head of cattle than we can really feed, with the result that we have an altogether inadequate supply of milk.

Therefore, Sir, with all these very important problems to be considered, it seems to me essential that we should have the findings of this Taxation Committee. I know it has been said that the personnel of the Committee does not meet with the approval of many Members of this House. I ask you to consider for one minute, did the personnel of the Tariff Board appeal to you very strongly when you first heard of it? And what was the result? We had a Tariff Board consisting of one Indian Civil Servant, one professor from Bombay and one barrister from Rangoon. Not on the face of it, so far as their professions went, a very attractive Committee for business examination. But look at their work. Their work is perfectly brilliant, and we have no reason whatever to suppose that the work which this Taxation Committee will do will be any the less brilliant.

When we have got its report I am quite ready to find on page 26 or page 56 something which will start off a special inquiry under some sub-head or other with which we shall have to proceed. But to hold up the whole of the work of this Committee, in order to embark on another inquiry of this magnitude, seems to me to suggest the wrong thing to do. I therefore say that in our own interests we ought to await the findings of this Committee and then ask Government to give us a reasonable time, two or three days, for a full debate thereon, and, if necessary, the appointment of sub-committees to work out some of the details of their findings.

Mr. N. M. Joshi (Nominated : Labour Interests) : Sir, I was somewhat surprised to see the opposition from some quarters to an inquiry into the incidence of taxation and into the question of its equitability. Sir, personally for myself when I learnt that an inquiry into the taxation of this country was going to be made I was very glad to hear that news. During the last few years the taxation of this country has increased tremendously without any examination of the incidence of that taxation, and also without inquiring whether that taxation was equitable or not. Not only that but it was only in last May that on account of an alliance between Government and the representatives of the people the taxation was increased. Even to-day, if Honourable Members will read the amendments to one of the Resolutions that are going to be discussed, they will find that some representatives of the people are coming forward with proposals to increase the taxation. Is it not therefore right for Government before they increase the taxation any further to inquire whether the present incidence of taxation is just or not, whether there are any classes of people in India who have reached the last limit of being taxed or not? I therefore feel greatly surprised at the attitude of some people who wish to postpone, at least if not to oppose, the inquiry into the incidence of taxation. Sir, I was glad at the appointment of this Committee, not because I approved of the terms of reference to this Committee thoroughly—I do consider that the terms of reference are inadequate and I do not want to say that I approve of every name on this Committee—but, Sir, I was glad because I felt that this inquiry, which is urgently needed, was at last being undertaken. I do

admit that it is not possible for the Taxation Committee to do its work well and decide whether a particular tax is equitable or not without going into the question of the income and expenditure of the average man in this country. I do believe that a certain amount of larger inquiry is absolutely necessary in order that the Taxation Committee should do its work well. But, Sir, that does not mean that the two inquiries cannot go together, or that the taxation inquiry should be suspended till the larger inquiry is finished. In the first place my fear is that, if this larger inquiry into the economic condition of this country is undertaken, and if the members of the Committee take it into their heads to do their work very thoroughly as some people said, I am afraid, as one Member of the Council of State stated, the inquiry may take fifteen years. (*Diwan Bāhadur T. Ranga-chariar* : "Not at all"). I do therefore want this Committee to put a limit to the work which it may undertake and finish its work as early as possible. But, Sir, at the same time I do not want the Taxation Inquiry Committee to suspend its work. Let the two things go together and be finished as early as possible ; because if the taxation inquiry is suspended, there are really great dangers of the poor people of this country being saddled with unjust taxation. There are already proposals to increase the taxation, and to reduce some. There is going to be a proposal discussed to-day that a certain tax should be removed. Now, if that tax is going to be removed and if there is no proper alternative suggested, I am sure Government and their allies, the rich people, will put certain taxes which will fall upon the common people for whom there will be nobody here to speak (*Sir Purshotamdas Thakurdas* : "Except you."). Sir, it is absolutely necessary at present to find out whether in the first place the taxation is equitable. My opinion is that there is a very large class of people in this country who ought not to be taxed at all. People whose income is below a certain minimum, whose income is not sufficient to keep their body and soul together and for their healthy maintenance, ought not to be taxed at all. Why these people should be taxed I cannot understand. I do not say that Government are not of any use to these people. But at the same time we must see that people who do not get sufficient money to maintain themselves are not deprived of what little they have ; it is not a principle of humanity to deprive a man who has not got sufficient to eat, of what little he has got. Moreover, Sir, although I do not say that the Government are not of any use to a man of that kind, I do say this, that the costly machinery of Government is not of much use to such a man. The Government exists, especially a costly Government exists, to protect the properties of the rich people ; and if the poor people have not got any property why should they pay to this Government ? No doubt Government also protect the lives of these people ; but, Sir, the poor people can protect their lives even without the assistance of Government. The real use of a Government is for the people who have got property to protect, and it is these people who want to protect their lives also from the other classes of people. I therefore think that it is in the first place absolutely necessary to find out what class of people there is in this country which ought not to be taxed at all. That is the first thing which the Taxation Inquiry Committee should do. After having done that (*Mr. K. Rama Iyengar* : "Can this Committee do that ? That is the question.") I will come to that. The second question which I would like the Taxation Inquiry Committee to undertake is to find out an equitable distribution of the necessary taxation ; and the equitability of the tax must be decided

by two things ; first, according to the ability of the people to pay the tax— and secondly, the tax should fall upon people according to the use which they make of the costly machinery of Government. If these two principles are borne in mind by the Taxation Committee, I think they will be able to give much relief to the people in this country.

I have made it clear, Sir, that I am not against any wider inquiry into the economic condition of the people. As a matter of fact I do admit that some inquiry into the economic condition of the people will be absolutely necessary. I do not wish to go into the question whether India has become poorer or richer after the arrival of the British in this country. Some people may hold that India is getting poorer ; some may hold that India is getting richer ; but there is one fact which is absolutely clear that the average annual income of the rural population in this country is indeed very small ; it is not large as my Honourable friend, Mr. Willson, said. I have not made any research but, Sir, when I consider this question there are two or three facts which always come to my mind. The first fact is the rate of wages on the Assam Tea Gardens. Sir, the labourers on the Assam Tea gardens get on an average Rs. 6 per month or Rs. 72 a year ; and I find that people from more than 200 miles go to Assam to earn this Rs. 6 a month or Rs. 72 a year. Naturally, therefore, their income in their own villages must be much smaller—it cannot exceed say Rs. 50—I might even put it down at less than Rs. 40, because no man will leave his home and go a distance of 200 miles in order to earn Rs. 72 a year, and that too under conditions which no self-respecting man will tolerate. In Assam, as everybody knows, a man is not as free as people are in other parts of the country. And that men can, after leaving their homes, go to Assam in order to earn Rs. 72 a year clearly shows that the average income of a man in India must be much less than Rs. 72. Then, Sir, there is another fact—the same fact practically. My Honourable friend, Mr. Rangachariar, the other day brought to the notice of this House that a large number of labourers leave Madras to go to Ceylon in order to get 5 annas a day. Sir, let us consider if a man goes to Ceylon in order to get Rs. 9 a month, what must he be getting in Madras ? Certainly his average income cannot be very much. (*Mr. A. Rangaswami Iyengar* : “ He is misled.”) Sir, there are some people who think that these labourers are misled. I do believe that some labourers are misled. But, Sir, thousands and thousands of people year after year for the last fifty years could not be going to Ceylon, to Malaya, and even to Assam, from Madras simply because they were misled. And, Sir, as far as Assam is concerned, I have made personal inquiries from people who go to Assam from Madras, and I have convinced myself of the fact that at least everyone of them was not misled into going to Assam. I feel, therefore, that some economic inquiry is absolutely necessary. But at the same time, I do not want this economic inquiry to be protracted and to be delayed so that in the meanwhile some taxes should be removed and some taxes should be added without inquiry into their incidence.

Sir, I do not wish to say much about the personnel of the Committee. Personally I do not believe that even by election you will get a much better Committee. But it is rather a difficult subject to discuss. There is only one point to which I would like to refer. The Honourable Member from Bombay, my friend Mr. Vithalbhai Patel, referred to Dr. Paranjpye, and he said that he may be a good teacher, but his choice was the worst which

the Government could make. Sir, I do not know that there is any connection between teachership and membership of the Committee. But, Sir, I know this much that, if a good teacher is disqualified from being a member of a Committee like this, I cannot understand how a good barrister is quite fit to become a member of the External Capital Committee. Sir, I know it is not in good taste to refer to personalities in a House like this. But, Sir, I am quite sure that, even such a reference is not quite out of taste with my Honourable friend from Bombay. Moreover, Sir, my Honourable friend may say that he is elected, and Dr. Paranjpye was nominated by Government. But, Sir, I do not feel that, if a man is not quite suitable for one Committee, he can be made suitable even by election. The only difference is that this suitability or unsuitability is carried back to his electors. But, Sir, I feel the House will agree with me that the economic knowledge of Dr. Paranjpye cannot be less sound than the economic knowledge or the economic expertness of those people who, during the last few years, at the dictation of a masterful personality, not by their own conviction, tried to fool this country to believe in the wonderful economic panacea of the spinning wheel. Sir, Dr. Paranjpye is a better economist than any of these people. I do not wish to go any further into the merits of the personnel of this Committee. If some people want some addition to the Committee, let them have that addition. I am not opposed to that also. But, Sir, I am anxious that in any case an inquiry into the taxation should not be either suspended or postponed.

Diwan Bahadur M. Ramachandra Rao: Sir, during the course of this discussion many instructive and interesting observations have been made, both in regard to the points raised in the terms of reference to the Taxation Inquiry Committee and also in regard to a cognate matter relating to the economic condition of the people of this country. I do not propose, Sir, to refer to the many criticisms that have been made on this subject or to support everything that has been said in criticism of the measures taken by the Government in the past and in the present. Sir, on this occasion, many of the Honourable Members either struck a note of optimism or of intense pessimism. The Honourable Mr. Chatterjee has made some observations to which I should like to refer. Sir, it has been our purpose since the expansion of the Legislative Councils, to secure a thorough-going inquiry into the material condition of the people of this country. In Madras at any rate, since 1910, there has not been a single year during which Members of the Madras Council did not make an effort in connection with the resettlement schemes that came up for examination to secure this inquiry. We were, however, always unsuccessful in this attempt. I have no doubt and several Honourable Members who took part in those debates have no doubt, that the reason why these inquiries were not sanctioned by the Government was a fear that the results of an economic inquiry would be used to discredit the Government. On the present occasion, Sir, I am very glad to find from a statement made by the Honourable Sir Basil Blackett that at least one Local Government, namely, the Bombay Government, has welcomed an inquiry into the economic condition of the people of this country, and I trust that, whether this inquiry takes the comprehensive form we desire or not the Local Governments would be able to co-operate in the final decision that may be come to by this House and the Government of India in regard to this very important question.

Sir, so far as the subject matter of the reference is concerned, I should like at the outset to say that I agree with those Honourable Members who

said that there was in the terms of reference a great deal that meets with our approval. The terms of reference raise the very important question of the financial relations between the Local, Provincial and Central Governments. In regard to this matter again, we have had in various parts of the country municipal and local conferences which have demanded that there should be a readjustment of the financial relations between the local authorities and Provincial Governments more or less on the lines of the inquiry which is periodically undertaken in the United Kingdom. Honourable Members are aware that in regard to local taxation in the United Kingdom, beginning from the time of Mr. Goschen and ending with the departmental committee on Local Taxation in 1914 and of 1919, the whole subject of the classification of the services rendered by local authorities has come periodically under examination and the financial adjustment required to discharge those functions has always taken place. For example, in the matter of compulsory elementary education, which is regarded as a semi-national service in the United Kingdom, and for various other services which are classified as semi-national, the Central Government has always found some way of rendering them financial assistance to carry out those services which are placed within the purview of local bodies. Sir, since 1882, when Lord Ripon's scheme of Local self-Government was introduced, this financial adjustment has not taken place. Duties have been cast on local bodies and from time to time, in order to discharge those duties, doles have been given either by the Government of India or the Local Governments to these local bodies. In some provinces the Local Governments appointed committees to inquire into this question and in Madras there was a Committee known as the Financial Relations Committee just before the reforms for the purpose of deciding this very vital question of financial adjustment between the local bodies and the Provincial Governments. I was a member of that Committee and we sat for a whole year and made comprehensive recommendations which, as is usual in Madras, were held up for want of funds. For this inaction the Honourable the Finance Member and the Government of India are mainly responsible. The terms of reference raise the question, whether the whole scheme of taxation between the Central, Provincial and local bodies is equitable and in accordance with economic principles. Sir, so much for the local bodies.

Then, as regards the provinces, Honourable Members are aware that just before the introduction of the reform scheme, a settlement, known as the Meston settlement, was introduced. Most of the provinces have rebelled against that settlement. They contended that it contained no basic principle, that it proceeded mainly upon practically the past expenditure of the provinces and that the decision of Lord Meston's Committee was not based on any principle of taxation relating to the Provincial and Central Governments. We have therefore been asking for a re-examination of the basic principles of the Meston award and it is one of the objects of the second term of reference to bring about a more equitable arrangement between the Provincial and Central Governments. Sir, I am afraid that during the short time at my disposal it is not possible for me to examine or even briefly to set out what I have to say on this most complicated subject of the relations between the Provincial and Central Governments. I am in entire agreement with the Finance Member that the inquiry which is proposed to be undertaken in the terms of reference to this Committee should be undertaken either by this Committee or any other Committee that may be appointed, and

I do not wish that the matters, which are set out in the terms of reference, should be dropped.

Sir, there is only one other matter to which I would make a brief reference, and that is the question of the economic inquiry in regard to which a good deal of criticism has already been heard in this House. The point that has always been troubling us is not the question of going back centuries for comparison, as my friend Mr. Chatterjee has put it. The point on which we should like to have an inquiry is as to what really is the present material and economic condition of our people. In regard to this matter also, I might refer to recent literature of a most interesting character which has made many people think about the whole question. Perhaps my Honourable friend Mr. Chatterjee is aware of a book by Mr. Jack, one of the experienced settlement officers in Bengal, who brought under review the economic life of the district of Faridpur. I do not wish to refer to his conclusions at any length, but after reviewing the economic history of the district, Mr. Jack examined a number of domestic budgets; we have heard a great deal about domestic budgets of the Members of the Services in connection with the Lee Commission; Mr. Jack examined the domestic budgets of the very poorest of the poor. After examining the domestic budgets, he came to conclusions which, if perused by Honourable Members, would leave them in a very uncomfortable frame of mind. Mr. Jack says that the percentage of population free from debt according to his calculation is 55 per cent. of the total population of the district. He also arrived at the following conclusions: In debt for about one-fourth of the annual income, 24 per cent.; in debt for half the annual income, 13 per cent. He worked out the average annual incomes of different classes of people in that district which are as follows:

				Per annum per head of population.
				Rs.
In comfort	..	..	..	65
Below comfort	..	..	..	43
Above want	..	..	..	32
In want	..	..	..	26

These are the figures which Mr. Jack has compiled after considerable trouble.

The Honourable Mr. A. C. Chatterjee: May I ask the Honourable Member to mention the date of those investigations?

Diwan Bahadur M. Ramachandra Rao: This one? 1910 I think, Sir. It is not a pre-historic period. The book was published in 1916.

The Honourable Mr. A. C. Chatterjee: May I ask the Honourable Member to state whether the value of the rupee has decreased or increased since then?

Diwan Bahadur M. Ramachandra Rao: The class of persons with which I am now dealing do not always look to the exchange. It may be that members of the Indian Civil Service have always an eye upon the rise and fall of the exchange. Then, again, I may also refer to the question of food problem, and to the conclusions recently arrived at by

an investigator, Mr. Dubey, one of the University Professors of Economics in the United Provinces. I do not wish to refer to the conclusions of Mr. Dubey at any length, but in regard to the food problem he concludes a most interesting article in the following terms :

“ From the above study we are forced to the conclusion that even in the best year from an agricultural point of view (*i.e.*, 1916-17), and even with restricted exports of food-grains to foreign countries due to the war, so many as 100 millions of people in that year were in a position to get only 79 per cent. of the coarsest kind of food-grains to maintain them in health and strength ; and in a famine year (1913-14) the percentage fell to such a low figure as 62. Taking an average of all the seven years, it will be seen that 61.6 per cent. of the population lives always on insufficient food, getting only about 73 per cent. of the minimum requirement for maintaining efficiency. In other words, it clearly shows that two-thirds of the population always get only three-fourths of the amount of food-grains they should have.”

Sir, at this late hour I do not wish to detain the House with any more remarks. I believe that the prejudice which has arisen in regard to this Taxation Inquiry Committee is mainly due to the fact that the Government of India did not contemplate, or at any rate did not make it quite clear that the inquiry which they have in mind is a comprehensive inquiry both in regard to the income as well as the taxable capacity of the people. I do not wish to go into a discussion on other matters, such as, the personnel of the Committee. I am not quite clear in my mind whether we are right in unnecessarily criticising the personnel of any Committee, but I do hope that the Honourable the Finance Member will recognise that, so long as he is not responsible to this House, the personnel has to be settled in consultation with this House.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : The only justification for my intervening in this debate is that I desire to place before the House with the consent of the House an amendment which I submit is a most comprehensive amendment. With your permission, Sir, I will first read out my amendment :

“ This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and appoint instead a Committee of non-officials and experts, in consultation with the leaders of the parties in the Legislative Assembly, to institute a thorough inquiry into and report on the following matters (with power to them to make an *ad interim* report) :

1. The economic condition of the various classes of the people of India ;
2. Their income per head ;
3. Their capacity to bear the existing burden of taxation (including land revenue) ;
4. The general resources of the country ;
5. The manner in which the burden of taxation is distributed at present between the different classes of the population ;
6. Whether the whole scheme of taxation—central, provincial and local,—is equitable and in accordance with economic principles ; if not, in which respects it is defective ;
7. The suitability of alternative sources of taxation without increasing the present level ;
8. The machinery required for the imposition, assessment, and collection of the taxes, old and new ; and
9. The general financial and economic effects of the proposals.”

Now, Sir, first of all, we, on this side of the House, are absolutely definite that the present Taxation Committee should be dissolved. It is

said, and I think even the Honourable the Finance Member will not dispute it, that if this House, now that this question has been raised in this House, and as it is placed before us now, allows the Committee which is called the Taxation Inquiry Committee to continue the implication will be that this House favours the idea of new taxes being imposed upon the people of this country. (*A Voice* : "No.") Otherwise, there is no meaning. If this Committee recommends and says, "Here are the new sources of taxation which can be tapped for the purpose of further taxation," the Honourable the Finance Member will then come before this House and say: "Here is a Committee which has investigated the whole question. It has made these investigations, and now we have discovered these new sources of taxation. We shall now proceed to tap them." That is a very objectionable position that the Government have taken up. Therefore, Sir, what we say is this. First let there be a thorough general inquiry; we have added other matters which will be the subject of inquiry and investigation also by this Committee. Some matters may be taken up immediately, and those are not merely to find out new sources of taxation. One item which I shall mention is this, "whether the whole scheme of taxation, central, provincial and local, is equitable and in accordance with the economic principles; if not, in which respects it is defective." That is part of the reference to the Taxation Committee. That is a subject which may require immediate attention, particularly in view of the fact that with regard to the contributions that the provinces make there is a general all-round complaint. Well, for that purpose we say: "When you appoint this Committee which we are now recommending, let that Committee take up that particular matter, or any other matter comprised in this amendment, and if they deem it proper, let them make an *ad interim* report for the Government to take steps on those recommendations. But no further taxation, that is, to say, the present level of taxation should not be increased until we have had general thorough inquiry into the economic condition of the people of this country."

Now, Sir, I cannot understand how the Government can object to it, the Government themselves desire this inquiry. My friend Mr. Chatterjee and the Finance Member say, "We desire it. We have been doing our best. We are as anxious to proceed with the general inquiry as you are." Well, that will take some time. It may take a year, two years or three years, but surely you can appoint this Committee as soon as possible. Let this Committee proceed with those matters which require immediate attention. Let them make an *ad interim* report and let them continue with the rest of the inquiry. I therefore do not wish to take up any further time of this House. We feel that this is a proposal that the Government should accept.

Mr. President: For the purposes of the record, and to simplify matters, I should like to ascertain from the original Mover of the Resolution and from Mr. Goswami whether the amendment just now proposed by Mr. Jinnah meets their views and whether they are prepared to withdraw in its favour.

Mr. T. C. Goswami (Calcutta Suburbs : Non-Muhammadan Urban) : I accept Mr. Jinnah's motion. Is that what you want me to do? (*A Voice* : "Yes.") I think it meets the wishes of those who are for a clear cut which is provided for in the word "dissolve" and I am quite agreeable to the more explicit Resolution of Mr. Jinnah.

Mr. President : Is it your pleasure that Mr. Goswami's amendment be withdrawn ?

The amendment was, by leave of the Assembly, withdrawn.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban) : The statement that the amendment represents the consensus of any part of the House is to be taken with reservation and I am prepared to move a slight amendment to the amendment which has been handed to the Chair by my friend Mr. Jinnah. Upon my amendment I claim there is a consensus in this House. It is this. Where my friend Mr. Jinnah says that the Committee is to be appointed in consultation with the leaders of the House, I wish to substitute that the Committee should be appointed by the House. On that point I would refer to the proposal contained in Mr. Goswami's amendment, that is to say, that one-third was to be appointed by the Government and two-thirds appointed by the House. As Mr. Goswami explained in the course of his speech the idea was that there should be one-third of the Members of this Committee which was to consist of experts and two-thirds of persons who had the confidence of the country. That met the objection which was advanced from the Government benches as to the special technical knowledge required for the members of this Committee. I do not think, Sir, that this House will allow any Committee to be appointed in the appointment of which it has no voice, it may be one-third or two-thirds or a smaller proportion of the full Committee. I do not know if my friend Mr. Jinnah is now prepared to accept it but so far as I have been able to gather from the preliminary conversation we had, he and I have, I think, agreed to differ on this point. I do not see why I should concede that point unless it is the wish of the House that I should do so and I therefore beg you, Sir (I do not want to make a speech), to put this proposition to the House.

The Honourable Sir Alexander Muddiman (Home Member) : Before you put this proposition to the House I should like to make two points. The first is that it is entirely unconstitutional for the Legislature to appoint an executive Committee, as I understand my Honourable friend's proposal is that this House should elect a Committee to carry out the duties which are proposed. The second point is that this Committee is to inquire into all forms of taxation, central, local and municipal. Therefore the Central Legislature is going to force this on the Committee without consulting the Local Governments and the other parties concerned. Such a proposition cannot find favour with those who are advocates, in any form, of provincial autonomy. I do beg the House to consider these points. I do not want to make a speech but I desire to bring these two points forward for the consideration of the House.

Mr. President : I have not the terms of the amendment of Pandit Motilal Nehru before me and therefore I do not precisely know whether they would fit in with the terms of Mr. Jinnah's amendment. Mr. Jinnah's amendment, the House will observe, explicitly invites or recommends to the Governor General in Council to appoint the Committee.

Pandit Motilal Nehru : My amendment is that the Governor General in Council should appoint one-third experts and this House will appoint two-thirds. I have not got a copy of Mr. Jinnah's amendment with me.

Mr. C. Duraiswami Aiyangar : It is to avoid these difficulties that I framed my amendment. Both sides of the House might agree to a proposal of the kind that I have embodied in my amendment.

Mr. President : The proposal which Pandit Motilal Nehru has just read out before the House is actually contained in Mr. Goswami's amendment.

Pandit Motilal Nehru : With the amplification contained in Mr. Jinnah's amendment.

Mr. President : The point at issue I understand between Pandit Motilal Nehru and Mr. Jinnah is the manner of appointment of the personnel, not the scope of the inquiry. (*A Voice* : "No".) Well, the manner of the appointment of the Committee was contained in Mr. Goswami's amendment which has been withdrawn and cannot be moved again. I understood that Mr. Jinnah's amendment was the result of an arrangement between the parties and sections of parties on my left. Apparently it was not so. In that case Mr. Goswami was acting without his book, in withdrawing his amendment !

The Honourable Sir Alexander Muddiman : I move, Sir, that the question be now put.

Mr. President : The question is :

"That the question be now put."

The motion was adopted.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadian Rural) : At the commencement of my opening speech I spent a considerable portion of my time in, as I thought, pinning the Finance Member down to previous statements made on behalf of Government by Mr. McWatters and himself and by the Honourable Sir Narasimha Sarma. But in his reply he has taken up that question and has referred to a speech of the Honourable Mr. Lalubhai Samaldas which he indicated showed that even in the Council of State remarks were made against my proposal. No doubt there is a good deal of difference between a Government Member making statements as representing the Government and other Members making remarks in the course of a discussion. But taking those remarks, it will be clear that the Government accepted the proposal that this inquiry by the Taxation Committee should cover practically the whole ground, and in fact the Honourable Sir Narasimha Sarma said that it may not be necessary to make any further investigation in one contingency. That being the position, the Honourable Sir Basil Blackett in utilising the grant sanctioned for the purpose by the Assembly, as he said, was not entitled to go behind the statements made on behalf of Government. And if, as explained by the Honourable Mr. Lloyd, certain adjustments had to be made between the Local Governments and the Central Government, as I pointed out in the course of my opening speech, that would have been best made by the Honourable Sir Basil Blackett and the officers of the Finance Department sitting together with the finance officers of the various Governments. The whole thing would have been set at rest so far as this Taxation Committee business went as regards adjustments of incidence of taxation between this Government and the other governing bodies. On the other hand, if it was the intention, as it clearly was during the course of the Resolutions discussed in

the Council of State, to have the economic condition of the people also examined, as well as their taxable capacity and the burden of taxation on particular sections of the people—in fact almost all the points I wish to have an inquiry into—my submission is that there is no reason why Government should not accept my Resolution and make a full inquiry once for all. Under the method adopted by the Government it is not only a question of duplicating expenditure, but it is a matter, as pointed out by Mr. Patel, of putting the cart before the horse. The investigation as to the materials must first of all be completed before the question of taxation or incidence of taxation can be examined and settled as between the several governing bodies. In fact, as I said in the course of my opening speech, I did not read that particular passage from the reply of the Honourable Sir Basil Blackett to the Chamber of Commerce in Bombay where he said that since he had landed in India his first task was to make the budget balance. That was his great trouble, and he wanted fresh sources of taxation to make the budget balance. That is what he said there. I did not read that passage but read other passages to indicate that the balancing of the budget had become almost a personal matter with him. As I explained before, the terms of reference of this Committee as also the personnel have been disappointing. He himself has in fact also been disappointed. He mentioned it openly in Bombay. I think the proper thing for the Assembly to do is to insist upon the carrying out of the views expressed before the Council of State during the discussions I have referred to and to add to them as I suggest. Therefore, as the Assembly sanctioned a grant on the understanding that the inquiry was going to be an almost complete economic inquiry—with the exception of some minor points which the Honourable Sir Narasimha Sarma pointed out could be dealt with later—in putting forward my Resolution I naturally impressed that point upon the attention of the Government, so that they may agree to the Resolution that I moved. The points of difference were very small when the Government accepted the Resolution of Sir Maneekjee Dadabhoy. All that indicated only one thing. And I submit that the Honourable Sir Basil Blackett in referring to this Assembly stultifying itself has not been quite accurate at all. My idea is that the Assembly will stultify itself if it does not bring home to the Government the view they took at the time these discussions took place in the Council of State. And it was on that understanding, if at all, that this money was allotted without a discussion at great length; because it was clearly understood that we were going to have almost the whole inquiry. And all that is now put forward is the urgency of consulting other Local Governments. But as the Reform Act stands, practically the complete control of the whole business rests with the Secretary of State and the Government of India. And what is this Committee to do? Why should they be roving round for months or years? We do not know what time it will take, two lakhs have already been granted for one year, and they might expect to require more. And what are we going to get from a Taxation Committee whose personnel has been commented upon as unsatisfactory, when the Meston award and the whole of the land revenue incidence is excluded from its inquiry. (*A Voice*: "No."). Now, of course, the proposition is different, but the reference explained that for certain purposes the incidence of land revenue is excluded; and if the whole of the Meston award is excluded, what are they going to do? And what, if, as has been pointed out by Mr. MacWatters, one revenue or other such as "Excise" or "Forests" is lost to a Local

Government and it is not open to the Committee to examine and find other revenue? Suppose the drink or forest revenue is lost to one province. How are they going to adjust it? What is the use of making a half-hearted inquiry like that and spending a lot of money and having a personnel which really cannot go into the whole matter authoritatively and with competence. I think in all cases the Government claim that experts advised them, and therefore they could not go behind them in spite of opposition from this side,—that experts, they always thought, had to be respected. But we should be glad if we had the experts that we expect to have in a Committee like this, and our position has been explained. All that I say therefore is that the question comes to this. The position taken originally by the Government was that there would then be practically a whole inquiry; as we wanted this expanded. In the view which has been put forward by Sir Basil Blackett, I should think this Committee ought not at all to be allowed to continue. That Committee's work might of course well be done by the Government of India and the Financial Members of the Provinces over whom they have for purposes of supervision complete control. They can adjust matters as they like and that would probably not be a matter in which any fresh taxation would have to be sanctioned by the Assembly; and if no fresh taxation is to be sanctioned, an inquiry of the half-hearted nature put forward will not at all be satisfactory to the Assembly, and they therefore now ask for a complete examination of the whole position. That is where we stand, and I therefore am very glad to accept Mr. Jinnah's amendment to mine even though my original proposition contained certain clauses which are now cut out. As I pointed out at the commencement therefore, I submit, Sir, that taking every view into consideration it will not be proper for the Finance Member to expend money under the sanction that was accorded by the Assembly to the general grant in the course of the passing of the Budget. And of course it might be said, "here are persons who have been announced, and all that". Certainly I for my part—that is my individual view that I express—for my part I should not mind it if these gentlemen that have been appointed sit together in Simla and Delhi and get on with the whole question as best they can and consider the incidence and so forth, and for that purpose they may certainly be employed for a certain time, but to allow them to go about the country, examine things in the villages and so forth, that will simply be out of the question, and the expenditure will not be allowable under the sanction given by the Assembly but under any extraordinary power Government might exercise in matters of this kind. I therefore accept the solution proposed by Mr. Jinnah and I hope that the Government will also accept it, so that the whole thing might be done satisfactorily and to the best interests of the masses of this country, whose cause it is always said Government have so much at heart.

The Honourable Sir Basil Blackett : Sir, this discussion over two days has ranged over such a variety of topics that I am afraid it will be difficult for me in the short time which you will allow me or which I desire to allow myself to go over a great part of the area that has been covered in the debate. With regard to the Honourable Mover, I despair of persuading him to understand something that he does not want to understand. He makes the statement again that the terms of reference which the Government originally had in mind were something quite different from what the Government now have in mind. The terms of reference as they now stand were announced in the Council of State on the 4th February, and

they were announced in this House in answer to a question on the 18th February. It was a Committee with those terms of reference that was approved by the Standing Finance Committee, and it was money for a Committee with those terms of reference that was voted by this House. For this House now to say that they did not vote money for this Committee is, I think, quite out of the question.

The subjects, Sir, that have come up for discussion are many and various. I will take first of all the Taxation Committee, its personnel and its terms of reference. I do not want to say much about the personnel. It has just been stated that in Bombay in a speech I made there I expressed the view that the personnel was unsatisfactory. I did not. I expressed the view in Bombay that I had been a little unfortunate in certain instances in connection with the selection of the personnel, but that is quite a different thing. I agree with the Honourable Mr. Joshi that it is possible to pick holes in the personnel of any Committee but that this is probably a better Committee than you would have got by election in this House. (*Some Voices* : "No, no.") Who are the Members of this Committee ? There is first of all the Chairman who has very wide experience in the machinery of taxation and has been for several years the Finance Member in the Madras Government since the introduction of the reforms. Two other members of the Committee have been either Ministers or Members of Executive Councils of Provincial Governments since the introduction of the reforms. They have very wide knowledge of the administrative difficulties, in particular where the shoe pinches a Minister who wants money to spend on education, and they have considerable experience of the day to day work of Governments under the reforms and of their relations with each other.

Mr. Jamnadas M. Mehta (Bombay Northern Division : Non-Muhammadan Rural) : Did not the Honourable Member say in Bombay that he was unfortunate in the selection of the Committee ?

The Honourable Sir Basil Blackett : The Honourable Member has nearly had two days in which to make a speech if he desired to do so : I really cannot consent to be interrupted now. I have got the speech in front of me and will show it to the Honourable Member afterwards if he wishes. The personnel I will leave with this one further remark, that I think it is very undesirable that in this House we should throw cold water on the personnel of any such Committee even on our friend, Dr. Paranjpye. I could not help feeling when Mr. Patel began to talk about the qualifications of this and that and the other of his friends for membership of this Committee that I sympathised with the prayer which I am sure must often be in the mind of his leader, "save me from my friend, Patel". The terms of reference were those drawn up by the Finance Members of the Provinces in consultation. There is one phrase in the terms of reference proposed by Mr. Jinnah, though I am afraid it is a little too late to incorporate it in the terms of reference as they have already been announced for some time, which is I think an improvement. I should be very glad to accept that portion. It is the part about the suitability of alternative sources of taxation "without increasing the present level." I should have been very glad to have thought of those words at the time. I will now have them incorporated in the instructions to the Committee, and I hope that will bring home to Honourable Members that there is no ground for this suspicion that the Government, in spite of their very

definite statement to the contrary, desire this Committee with no other idea but that of increasing the total expenditure of the country or the total amount raised by taxation. They desire it for the very purpose which Mr. Joshi said, that the incidence of the existing taxation may be examined, and if it falls too heavily in one direction, it may be lightened, with the consequence probably that it would have to be increased if it falls too lightly in another direction. It is a question of expenditure whether it will have to be increased correspondingly in the other direction or not, but there is no desire whatsoever in connection with this Committee to find new sources of taxation in order to raise a larger amount by taxation. The object is readjustment. The purpose of the Committee is to reconsider our existing system of taxation and see whether it is capable of improvement both in its incidence and in its machinery. The Honourable Pandit Madan Mohan Malaviya said that we have raised 40 to 50 crores of additional taxation in the last—I forget how many years—and therefore we do not want a Taxation Committee. I would like to ask him one or two questions. Does he know any other country in the world which has been deeply concerned in the world war which has not increased its taxation, both quantitatively and proportionately, more than India has ?

Pandit Madan Mohan Malaviya : Has not taxation been reduced in England during the last two years ?

The Honourable Sir Basil Blackett : Taxation has been reduced during the last two years but if you compare the total taxation in England before the war and the total taxation after the war you will find that the increase has been very much greater both quantitatively and proportionately, than it has been in India. The Honourable Member might be reminded too that taxation has been reduced in India also this year, though that is perhaps a controversial subject. The Honourable Pandit also went further and he said that I was usurping the functions of this House. Now the functions of this House are very clearly to vote this expenditure and it was not till the House had voted this expenditure that the Government ventured to proceed with the appointment of the Committee ; so I cannot see how in that direction I am usurping the functions of this House. In choosing the personnel of this Committee the Executive acted, as I think nearly all Executives act, in accordance with their proper functions by selecting the personnel after consultation with those who are likely best to be able to suggest a personnel. The leaders of parties in this House might be a little difficult to find always and I do not think it is a phrase that the Government would like to see enshrined in a Resolution of the House.

Mr. M. A. Jinnah : I am quite willing to withdraw that part if the Government will give us an assurance to that effect as is the practice in other Parliaments.

The Honourable Sir Basil Blackett : I do not think the Honourable Member has much justification for saying that it is the practice in other Parliaments to consult leaders of the House in regard to personnel of executive Committees. But as Government are unfortunately not able to accept the Resolution as a whole we need not perhaps dispute about that point, though I am sure I shall be glad to see the Honourable Pandit Motilal Nehru in the same lobby with us owing to his objection to this portion of the Resolution.

Mr. M. A. Jinnah : That hope is not going to be realised.

The Honourable Sir Basil Blackett : The personnel of this Committee was selected, as inevitably must be in the case of an All-India Committee of this sort, in close consultation with Provincial Governments.

Then another subject that has been raised is federal finance. As far as I understood Mr. Rangaswami Iyengar, he objected to our discussing the subject of federal finance because of King Charles's head—that is to say, we must not do anything until self-government has been introduced in the form in which he desires. I would suggest to him that if he wants the right sort of constitution drawn up by a round table conference or whatever other body is going to draw it up, they would be very well advised to have the results of an expert inquiry into the taxation system—central, provincial and municipal—before them when they are drawing up their constitution ; and indeed if I may venture the observation, the interesting discussion we have had for two days has impressed upon me one lesson and that is, that it is extraordinarily desirable that this House should have before it an authoritative and expert Committee's report on taxation in order that it may discuss the subject of taxation intelligently.

Let me now pass to the economic inquiry. It has appeared to me in the speeches that have been made that it is assumed that the Government have an objection to an economic inquiry. Mr. Patel thought that we had a strong objection to it. Personally, if I may speak for myself, I think that a really authoritative inquiry into economic conditions in India is one of the great desiderata. I should hope that it would have great results. I should hope that it would enable constructive plans to be built upon the foundations of an authoritative inquiry for improved medical, sanitary, and educational facilities for the people. In particular I lay stress on education. One of the deepest roots of the poverty of the masses in this country is that they have not had sufficient education to make them ambitious for a better life and willing to work harder and longer in order to get it. I do not want to be controversial but in the book from which Mr. Willson quoted this morning, almost immediately after the passage he quoted and referring to the same village, is this passage :

“If the land is extraordinarily productive, labour is extraordinarily unproductive. From a comparison of results in reaping and ploughing it might be estimated roughly that a week's work by a raiyat or cooly in the Madras Presidency is about equal to a day's work by a British agricultural labourer, if unaided by machinery.

* * * * *

This comparison is not quite fair to the Indian worker, as he would doubtless be more expeditious over ploughing and reaping if it were necessary, but the fact remains that the Indian worker earns very low wages, has a very low standard of expenditure, and attains a very low level of efficiency, and these three characteristics of Indian life are so interconnected that it is impossible to say which is cause rather than effect. Indian employers do not believe in the economy of high wages ; and as yet only faint beginnings of trade unionism are to be found among Indian manual workers. Nor does Indian popular religion, which fosters submission, nor popular philosophy which inculcates the art of abstinence, encourage a revolt against the prevailing conditions. In fact various strands of economic, social and religious conditions and customs are strangely and deftly interwoven in the web of South Indian life, and low wages, low efficiency and high abstinence are the ground plan of the pattern.”

My belief is that it is education and more education which is the weapon with which all that is to be combatted. That could not result directly from the economic inquiry but the economic inquiry would I

think reinforce the truth of that observation. The economic inquiry might also teach us the value of agricultural and technical education, the need for an extension of co-operative credit, for improved irrigation, better use of the underground waters of India, and things of that sort. Now what has all that got to do with taxation? The fact is that these two subjects—the taxation inquiry and the economic inquiry—touch each other on the fringe of the same general subject, the economic condition of the people of India, but are only very partially interconnected. The taxation inquiry is required for our constitutional progress and in order that the Governments, including the municipal as well as the Provincial Governments and the Central Government,—the Governments of India may raise the money which they require for carrying on the services which they carry on by better machinery and at less cost to the tax-payer than I believe in certain cases they do at present. That being so the taxation inquiry must undoubtedly to a limited degree go into the general question of the economic condition of the people of India. In the terms of reference and in the Government of India's Resolution on the subject, every effort was made to indicate the limits to which that economic inquiry for the purpose of the taxation inquiry should extend in order that the taxation inquiry might not have a roving commission which might take years and might spend itself in wasted labour but a definite commission to make an economic inquiry with reference to the incidence of taxation, in so far as that economic inquiry was necessary for the purposes of the taxation inquiry. Quite independent of that is the general economic inquiry which, as I have said, the Government do not at all desire to oppose. They are doubtful as to whether it can properly be undertaken by a Central Government Committee. Certainly it ought not to be undertaken by a Committee appointed by this House if it is to inquire into the economic conditions in each of the Provinces. I am inclined to agree that some kind of co-ordinating machinery set up by the Central Government might be desirable for the purpose of the conduct of this inquiry, but if it is to be effective it must be decentralised to a certain extent. The Government will await the replies of the remainder of the Local Governments which have not yet answered. In accordance with the Resolution accepted by the Government in the Council of State on the 4th February and in the light of the discussion which they have heard to-day they will I am sure be encouraged to press the Local Governments to agree to co-operate in some kind of co-ordinated inquiry into the economic condition of India. But there is no reason why for that purpose the proposed Taxation Committee should be dissolved. On the contrary, if that economic inquiry is to be fruitful in its results, the inquiry by the Taxation Committee will be a very relevant and important point in the conduct of the economic inquiry. It was pointed out, was quite rightly pointed out, by my Honourable friend Pandit Madan Mohan Malaviya that taxation is the function of the Legislature. Certainly; but does not the Legislature require some kind of expert advice in considering questions of taxation? There is no proposal that this Committee should be appointed and thereupon, in view of his special capacity to bear taxation decide that the income-tax of Pandit Madan Mohan Malaviya should be doubled. This Committee is not going to do any executive work; it is going to make proposals for improving the existing system of taxation; its proposals will be available to the Central Legislature and to the Provincial Legislatures when they come to

discuss questions of taxation. I for one know that my own examination of taxation questions in India will be very much better conducted when I have the report of an expert inquiry of this sort before me than it can be at present, when, with the exception of the gentlemen who have recently been appointed to the Central Board of Revenue there is literally in the Government of India no one who has made an expert study of the subject of taxation. I therefore confidently appeal to the House not to accept this revised amendment of the original motion, but to allow the Taxation Committee to proceed on its labours in accordance with the decision arrived at by this Assembly last March, and to co-operate with the Government of India and with the Local Governments in seeing that a suitable programme is drawn up for conducting this economic inquiry on the desirability of which we are all apparently agreed.

Pandit Motilal Nehru : May I rise to a point of explanation ? I am told that in my absence the Honourable the Finance Member was pleased to express a hope that he would find me in the Government lobby. I want to make my position quite clear. The amendment which was moved by Mr. Jinnah had my full concurrence and acceptance, except as to one little part ; and if I had been allowed to put it I should have liked to take the decision of the House ; but Mr. Jinnah's amendment is the next best thing to what I wanted and I am afraid therefore my Honourable friend will not have the pleasure of seeing me in the Government lobby.

The Honourable Sir Basil Blackett : May I say, Sir, that I am disappointed but not surprised ?

Mr. President : The original question was :

" This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income."

Since which an amendment has been moved to substitute the following :

" This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and appoint instead a Committee of non-officials and experts, in consultation with the leaders of the parties in the Legislative Assembly, to institute a thorough inquiry into and report on the following matters (with power to them to make an *ad interim* report) :

- (1) The economic condition of the various classes of the people of India ;
- (2) Their income per head ;
- (3) Their capacity to bear the existing burden of taxation (including land revenue) ;
- (4) The general resources of the country ;
- (5) The manner in which the burden of taxation is distributed at present between the different classes of the population ;
- (6) Whether the whole scheme of taxation—central, provincial and local—is equitable and in accordance with economic principles ; if not, in which respects it is defective ;
- (7) The suitability of alternative sources of taxation without increasing the present level ;
- (8) The machinery required for the imposition, assessment, and collection of taxes, old and new ;
- (9) The general financial and economic effects of the proposals."

The question is that the Resolution, as amended, be adopted.

The motion was adopted.

22nd September, 1924.

RESOLUTION *RE* ABOLITION OF THE COTTON EXCISE DUTY.

Mr. President: The third Resolution is the resumption of the adjourned debate on the Resolution of Mr. Kasturbhai Lalbhai on the cotton excise, which he originally moved on the 20th of March 1924 in the following terms:

"That this Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by a majority of the Indian members on the Indian Fiscal Commission and to be pleased to direct the Tariff Board to further examine the question of protection to the Indian cotton mill industry at an early date."

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association: Indian Commerce): Sir, it is after a comparatively long time that the debate on my Resolution is being resumed and I shall, with your permission, claim the indulgence of the House to touch on the salient features of my case:

"The Indian excise on cotton", to quote the majority report of the Indian Fiscal Commission, "raises issues which cannot be decided solely on economic grounds." The past history and the associations of this impost are too well known to need any recapitulation. The cotton excise has a political significance well understood by all concerned and the duty must therefore go as a first earnest of the changed angle of vision in the principles of the Government of India.

The matter has been discussed a good deal in the press and it needs no further proof to show what way the current of public opinion goes or how strongly the public feels in the matter. We have, however, the fact that the Government of India have already more than once accepted the principle of abolition of this duty, both prior to their acceptance of the principles of protection as also subsequent to that. Official memory, Sir, is believed to be short in the redemption of pledges and I may therefore be excused a repetition of the pledges just with a view to refresh the memory. A declaration was made by the Government of Lord Hardinge in 1916. In 1922 the policy underlying the declaration was not only reaffirmed but further the Government Member in charge of the Finance portfolio admitted all the theoretical arguments against the continuance of the duty. He also admitted that it is not a good tax because it is a tax on production and not on profits. He only wanted six months' time to have a scientific readjustment. In 1923 also definite hopes of an early abolition were given. But in 1924—a year of a balanced budget—the question of abolition was brushed aside as beyond the pale of practical considerations. If I were, Sir, pleading my case in a court of law, I would have immediately got judgment in my favour on such admissions of a defendant and the contention of Government would have been ruled out under the well-known legal doctrine of *res judicata*. No court of justice, I believe, would allow an unsuccessful defendant to put off or evade the execution of its decrees.

The duty is also undesirable according to the accepted canons of sound taxation. It is a tax on production and hits particularly inequitably in times of depression. Last year the Bombay mills made losses of 117 lakhs of rupees out of which the excise duty alone was responsible for 100 lakhs. But for this tax to-day we would be able to lower our prices of the poor

man's cloth reduce accumulation of stocks and avoid the consequent closing of mills. Past experience has shown that in times of depression the excise tax which adds to his losses induces the manufacturer to close his business to minimise such losses, and that step brings in its train unemployment to poor labourers. It also leaves permanent marks by disorganisation of labour and consequent loss of efficiency. It is a tax on the poor man's necessity. It is a tax on the only industry which can be looked upon as an insurance against famine and its incidence falls unduly heavily on the poor classes of the community.

We may also here pause for a moment and compare the progress made by Japan and America during the past 30 years with the progress made by India. While these countries are supplying the needs of their home population and cater largely for foreign consumers, the Indian textile industry, though growing for the last 60 years with the help of steam and the oldest in the world if we take hand-loom into account, does not meet more than 60 per cent. of India's normal requirements. We have been steadily losing our foreign markets in China, East Africa and other places. It would not be out of place, Sir, to mention here that just before the advent of British rule in this country, Indian cotton goods used to supply the demand of this country in full and commanded a large export trade throughout the civilised world. These days are no more and though the hand-loom industry is now relied upon as a plank to retain the iniquitous cotton excise impost the exponents of this theory conveniently forget that it was the fiscal policy imposed by Britain on this unhappy land that proved its ruin.

Sir, I may be permitted to assure this House that cotton millowners having spinning departments in their factories are particularly interested in the uplift and the welfare of the indigenous hand-loom industry. It provides a valuable outlet for our surplus yarn which has been shut out from China and Japan. I wish every encouragement to be given to this deserving cottage industry to which the villager is able to devote his leisure hours without being cut off from his home surroundings. But, Sir, has this industry received any consideration from the Government of India so far? I need only refer to the free list in the Import Tariff Schedule of the Government of India to convince the House of the treatment they give to this industry. Government have been pleased to forgo import duty on a number of articles ranging from certain agricultural implements and dairy appliances of the improved type to hops which I imagine are used for the manufacture of beer. Uniforms for Government officials, the cloth of which will bear an excise duty if made in India, comes free of any duty if imported from abroad but I find no mention of hand-loom or their parts in the whole of the tariff. Nay, the House will be surprised to learn that cotton mill machinery parts, which otherwise pay an import duty of 2½ per cent., are charged at the full rate of 15 per cent. if by any chance the customs officer at the port finds that they can possibly be used on a hand-loom even though they may be imported by a cotton millowner. Sir, this plea of the hand-loom is only brought in to retain an unjust impost which cannot be supported on any other ground, moral or economic.

In view of these facts, Sir, I submit very pertinently to ask for the repeal of the cotton excise duty and more pertinently so when we remember that Indian cotton mills have to meet the inroads on our home market by bountyfed foreign competitors. This impost is more acutely felt in times

of depression when even a small margin counts in keeping the industry going. As a matter of fact, the excise duty comes to 5 per cent. on the paid-up capital of the mills which every cotton mill is called upon to pay irrespective of profit or loss.

It is a shortsighted policy to stick to the duty only for the present revenue it may bring in. If the Government do not realise the danger of outside competition in its proper perspective, the responsibility for strangling the pioneer industry of the country will rest with the Government. Let the question be therefore not looked at from a narrow view point of the financial need of the hour. I would with all the earnestness I can command appeal to the Government to take a sagacious and farsighted view of the question and apply themselves to the task of adjusting their finances to the abolition of the duty.

24th September, 1924.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadian Rural) :
Sir, I beg to move :

“ That all the words after the words ‘ Indian Fiscal Commission ’ be omitted.”

The House will realise that this Resolution raises two distinct issues. The first is about the abolition of the cotton excise duty, the second is an inquiry into the present condition of the cotton industry so as to find out whether it deserves protection, apart from the abolition of the cotton excise duty. Well, so far as the first issue is concerned, Indian opinion is practically unanimous in support of it, and there may be Members of this House who are prepared to support the first issue but may hesitate to give their unstinted support to the second. In this view I think that it will be better, in the interests of the main question that we are now discussing to circumscribe the scope of the debate and leave the second portion of the Resolution to be debated on some further occasion. I will therefore request my Honourable friend, the Mover of this Resolution, to accept my amendment.

I recollect Mr. Bell trying to make out a strong case in favour of the retention of the excise duty on the ground that it acted as a protection to the hand-loom industry. I believe his has been the only speech so far that has pleaded in favour of the retention of this unjust impost. I was therefore very much interested to read a copy of a letter which our late colleague, Mr. Bell, in his capacity as Director of Industries, Bombay, has addressed to another former colleague of ours, Mr. Manmohan Das Ramji. The letter is dated Bombay the 2nd May, 1924, and there Mr. Bell points out that it was not his intention to support the retention of these duties on the ground that they acted as protective duties so far as the hand-loom industry was concerned. This is what he says :

“ I hope that my speech has not been interpreted as a suggestion that the 3½ per cent. duty should be retained as a protection of the hand-loom. I certainly hold no such view.”

This statement of Mr. Bell's clears the ground very considerably. Now, Sir, so far as the hand-loom industry manufactures from fine and imported yarn, I do not think my Honourable friend Sir Charles Innes

will contend that these duties act as a protective duty to that industry. And coming as I do from Dacca, I am in a position to state that, so far as the finer kinds of cloth woven with the help of hand-loom are concerned, they will not at all be affected by the withdrawal of these duties. Then as regards the coarser kind of cloth, which are manufactured by hand-loom, I believe Bihar manufactures a very large quantity of coarser cloth with the help of hand-loom, and I am assured by my Honourable friend Mr. Gaya Prasad Singh that that industry in Bihar will not also be affected if these duties were removed. We must remember that the manufacturers of the coarser kinds of cloth use very largely Indian yarn, the surplus which the Indian mills cannot consume for their own purposes, and in that view of the matter it will be seen that if, as a result of the removal of these duties the cost of production of the Indian mill yarn is reduced, the hand-loom industry in India, in so far as it utilises the coarser Indian yarn, will also be greatly benefitted. I yield to none in my desire to see the hand-loom industry established as a large cottage industry throughout India, and therefore I submit that Government should give their earnest consideration to the recommendations of the Fiscal Commission with regard to giving some direct protection to this industry. My Honourable friend Mr. Kasturbhai Lalbhai has already pointed out that, when we come to the tariff schedule, we find that the duties that are at present levied on the parts of machines which are worked by manual or animal labour, which of course include all parts which are used for hand-loom, are subject to a high duty of 15 per cent., whereas the parts of other machinery, including the power driven cotton mills, are subjected to the duty of 2½ per cent. only. I think it is up to the Government to reduce the duty on the parts of the hand-loom machines. Furthermore they should consider the question of the abolition of the import duty on yarn, and in that way they can help the hand-loom industry a great deal. Now, Sir, I am aware that the main argument on the Government side will be that we are not in a position to sacrifice this large revenue that is at present derived from the cotton excise duties. The argument comes to this, that although this impost was initiated for other than revenue purposes, and although the continuation of this impost cannot be justified on economic grounds, this has got to be continued because my Honourable friend Sir Basil Blackett cannot afford to do without it. I thought that my Honourable friend was very anxious to investigate the incidence of taxation in this country and to find out whether any particular impost weighed unusually heavily on the poorer classes, and it was with that view that he initiated the taxation inquiry, about which we had a discussion only very lately. I therefore hope that my Honourable friend, when he finds that Indian opinion is unanimous in condemning this impost as unjust and iniquitous, will find no difficulty in abolishing these duties altogether.

The Honourable Sir Basil Blackett : What is the substitute ?

Mr. K. C. Neogy : Substitute ? That is for you to find out, not for us. Well, I want to test this argument a little further. The Cotton Excise Act, in its all-pervading incidence, includes even that small, struggling industry, the cotton hosiery industry. I do not think my Honourable friend derives any very great revenue from that source, and yet what is the position ? There is a struggling cotton hosiery industry in Bengal at the present moment. I took some care

to inquire into the history of this industry, and I find that in the year 1906 Bengal started this industry mainly for the purpose of manufacturing socks, but the industry died out in a few years. In 1915, taking advantage of the high prices during the war period, this industry revived and about 60 concerns sprang up in Bengal, out of which only 15 survive at present. The total capital invested in these concerns will not, I believe, exceed even 10 lakhs. Some of these are driven by power and some are worked by manual labour. We find that since 1922-23 the general tariff was raised from 11 per cent. to 15 per cent. and the tariff on cotton twists and yarn was raised to 5 per cent. from nil, with the result that this industry, which utilise imported yarn, as also imported cloth for the purposes of plaiting and other processes involved in the manufacture of under shirts and vests, has been handicapped to a very large extent. And on the top of that the cotton excise duty of $3\frac{1}{2}$ per cent. was put on with effect from 1923-24. This is an instance of an unjustifiable system of double taxation, and what is the result? We find that this industry is struggling hard to keep its head above water, but it cannot hold its own against the cheap imports from Japan. The competition is not at all with the British manufacturer because that is of a much better quality and commands a much higher price.

I find that in 1921 the total value of cotton hosiery imported into India was over 73 lakhs. In 1922 it was over 71 lakhs. In 1923 it was over 96 lakhs; but out of this large amount the United Kingdom contributed in 1921 only 7 lakhs; in 1922, 2,78,000; in 1923, 3,64,000; and Japan came in for 48 lakhs in 1921; 56 lakhs in 1922 and 78 lakhs in 1923. So with the imposition of this duty with effect from 1923-24 Government are only making things much easier for the Japanese competition and are helping to kill this infant industry in Bengal. I should like to know what is the net amount that Government derive from this source of revenue. Now, Sir, while talking of our revenue position I find that our former colleague, Sir Jamsetjee Jejeebhoy, speaking at a Bombay meeting, observed as follows:

"We shall be told by an agonised Finance Minister that the Government can ill spare a couple of crores and that he does not possess the purse of Fortunatus or the lamp of Alladin. If Sir Basil Blackett owes certain duties as keeper of the King's purse, he as member of the Indian Government owes other duties equally insistent to the people of this country. Even allowing in full for the paramount need of rupees, annas and pies, there would be a morality about a budget minus the excise duties which would be none the less an efficient budget, as it would swell the credit side of Government's prestige and save it from moral bankruptcy."

I have no doubt that my Honourable friend cares for the moral aspect of his Budget quite as much as for the financial, and if I find my Honourable friend going into a different lobby than myself it will be because he has no option in this matter. And in this connection I may quote what Mr. Austen Chamberlain said to a Lancashire deputation:

"You are not asking that you shall be preserved from a special disability imposed on you alone of British traders competing in India. You are asking that you shall have preserved to you a special position of privilege which has not been accorded to any other British trade. If to-morrow I gave the order that a countervailing duty be imposed, not only no Indian in the Legislative Council would vote for such measure, or abstain from voting against it, but no British official would vote for that measure, except as the result of instructions, because it was his duty and he was left no choice."

If I find Government seriously contesting this Resolution I will conclude that they have no choice in the matter and that they have their instructions from abroad.

The Honourable Sir Charles Innes (Commerce Member) : Sir, for the second time this session it is my pleasant duty to congratulate the House on a change of heart—I believe that is the correct technical term. A few days ago I had the pleasure of complimenting my Honourable friend opposite on his changed outlook towards the late Legislative Assembly. To-day I have the pleasure of congratulating the House upon their changed outlook in regard to this economic question. I had always understood, Sir, that the flame of India's indignation against this cotton excise duty burnt very fiercely. Sir, in March last that flame had died very low. Now, fresh fuel has been added to the fire. I will not offer any explanation of the reasons. It may be the propaganda which has been carried on by the Bombay Millowners' Association or it may be another cause ; but whatever the cause I am delighted to see that this House is now prepared to settle down and consider this very important question.

Now, Sir, I do not propose to go into the past history of this thorny and vexed question. I do not think there is any reason why I should occupy your time or my own in doing this. The history of this question is stated in the fullest detail in the Indian Fiscal Commission's Report. It has been repeated by the Honourable Mover of this Resolution. It has been repeated by Mr. Harchandrai Vishindas. Therefore, Sir, I do not think I need travel over the ground again. But there is one thing I should like to say and it is this. I say that there is no Britisher in India who does not regret that this tax was ever put on, and I say with confidence that that is the feeling of every one of us on this side of the House. Also, Sir, I should like to say that we on this side of the House recognise that there is a natural desire on the part of Indians that the Cotton Excise Duties Act should disappear from the face of the Statute-book. But, Sir, I must safeguard myself. I do not wish to be misunderstood. I regret very much that this tax was ever put on because I believe that the tax has done us great political harm ; but I am not prepared to go further and say that I believe that this tax has seriously harmed the Bombay cotton industry. Let me give the House some statistics. I am aware that the statistics are familiar to this House, but at the same time they are necessary for the purposes of my argument. Also, Sir, I should be sorry to disappoint my Honourable friend, the member for the Indian Merchants' Chamber, who I see is at once beginning to take notice. The excise duty was put on in 1896. Between 1896 and August 1923 the number of mills in India increased from 167 to 323. The capital increased from 13½ crores to 43 crores. The looms increased from 37,000 to 145,000 and spindles from less than 4 millions to approximately 8 millions. (*Mr. Jammadas M. Melita* : "It might have been more.") That, Sir, is a record of which any industry may be proud. I am quite well aware, Sir, that the Bombay Millowners' Association discount those figures. They say "it is perfectly true that this industry has progressed very much," but they go on to say "had it not been for this excise duty it might have progressed still further," and they ask us to compare with the progress of the industry in India the progress of the industry in Japan and China. Well, Sir, I shall have something to say about the progress of the industry later on. In the meantime what I say is this. This tax, this 3½ per cent. tax, is so small that I do not believe that it has hampered to any appreciable or

material degree the progress of the industry. It might be different of course if the House were to say that had protection been put on earlier the industry would have progressed faster. That is quite possibly an arguable point. But the answer to that is this. The statistics that I have given you are proof positive that this industry did not require protection—and I think I am justified in saying that, until a few months ago, not even the Bombay Millowners ever asked for protection—that is certainly the evidence they gave before the Fiscal Commission. Moreover, Sir, the fact is this—unaided by protection and in spite of the slight handicap of this excise duty, this cotton mill industry in India has reached its present heights. It is the stronger and the better industry for having reached those heights without any aid from us. Protection, Sir, as the Bombay Millowners' Association themselves have said is a homœopathic medicine which should be taken in very small and discriminating doses. It is a bad thing in itself. It is a thing the use of which may be justified in certain circumstances.

Now, Sir, let me come to this Resolution. The first part of it argues that we should take early steps to abolish the cotton excise duty. The second part argues that there should be an examination of the need for protecting the industry. That is one elementary fact that I wish to point out, that is, that if the first part of the Resolution is accepted, namely, an early abolition of the excise duty, the immediate effect of it will be that you will increase the protection now enjoyed by the cotton mill industry from $7\frac{1}{2}$ per cent. to 11 per cent ; and that possibly is the reason why the Honourable Mover of this Resolution will have no difficulty in accepting the amendment moved by my Honourable friend, Mr. Neogy ; that is to say, the Bombay millowners and the other millowners in India will certainly raise no objection if this House increases the protection they now enjoy from $7\frac{1}{2}$ per cent. to 11 per cent. But, Sir, that was not the intention of the Indian Fiscal Commission when they proposed that the claims of this industry to protection should be examined by the Indian Tariff Board. What they suggested was that we should wipe the slate—I believe that we owe that phrase to my Honourable friend opposite—and abolish the cotton excise duty. They recognised that that would involve a sacrifice of something like Rs. 2 crores ; and therefore they suggested that after having wiped the slate we should refer the whole matter to the Tariff Board for examination, so that the Tariff Board might decide how much protection this industry required, and they then went on to say :

“ If the rate of duty thus determined is sufficient to meet the revenue necessities of the country no question of an excise duty will arise. If on the other hand the Government hold that their revenue requirements make it obligatory to levy taxation on cotton cloth in excess of this amount, it will be necessary for them to formulate proposals in accordance with the principles we have explained and to lay those proposals before the Legislature. That body will then be in a position to decide the real point at issue.”

They went on to say that they had the fullest confidence in the Legislative Assembly. If we required more revenue then the protective duty would give it to us ; they led us to understand that the Legislative Assembly would make no difficulty about restoring the excise duty. Well, Sir, that was the very attractive programme drawn up by the Indian Fiscal Commission. But we all know, Sir, that the roseate hues of early dawn fade soon away. Those roseate hues faded away when the last Legislative Assembly passed out of existence. Now, Sir, the storm clouds have come

over and we have got another Legislative Assembly ; we have got a new race in this Assembly which knows not Joseph—I mean of course the stalwarts of the late lamented Democratic Party. If my Honourable friend opposite will not mind my saying so, this Legislative Assembly is not exactly distinguished for meeting the proposals of the Government in a spirit of co-operation and sweet reasonableness. That programme therefore of the Indian Fiscal Commission has passed into the *ewigkeit*—or at any rate out of the realms of practical politics. But I propose to examine this claim for protection on the part of the Bombay Millowners' Association. I do so for various reasons ; and one of them is this. The Bombay Millowners' Association in a published representation to the Government of India have made a formal application to us for protection. Now, Sir, if I may say so, I have the very highest respect for the Bombay Millowners' Association. They are a body of business men who stick almost entirely to their business, and if they do venture into politics, they generally do it purely for a business end. (Laughter.) Any representation which the Commerce Department of the Government of India get from the Bombay Millowners' Association requires the most careful consideration. Consequently, Sir, at the beginning of April, when by a surprising chance I had four days to myself, I devoted those four days to as careful a study as I could make of the claim for protection by the Bombay Millowners' Association and I propose, if the House will indulge me so far, to let them have the results of my examination. I am afraid it will mean the House following me into some rather dull figures ; but this matter is a very important one, and I hope the House will listen carefully to what I have got to say. As the House knows the present position is this. The mill industry in India has a protection of 5 per cent. in yarn and 7½ per cent. in cloth. Now, Sir, I propose to take yarn first.

I have here statistics of the amount of yarn available for consumption in India in the three years ending 1914-15 and again in the year 1923-24, and I beg the House to remember that the year 1923-24 was a bad year for the Bombay millowners at any rate because they lost two months' work owing to a strike. I have calculated the amount of yarn available for consumption in India by deducting exports from production and re-exports from imports. The results are as follows : on an average of the three years ending 1914-15 the total amount of yarn available for consumption in India was 541 million lbs. Of that amount Indian production supplied 92 per cent.—imports only 8 per cent. In 1923-24 the total amount of yarn available for consumption in India was 613 million lbs. and of that amount Indian production supplied 93 per cent. and imports only 7 per cent.

Now, Sir, however high a tariff wall you may have you will never stop imports altogether. I put it to the House that when you have got your local mill industry supplying 93 per cent of the yarn used in this country it cannot be pretended that there is any very strong case for protection. (*An Honourable Member* : "What year, will you kindly say ?") The average for the three years ending 1914-15 and the year 1923-24—those are the years that I have selected for comparison.

Mr. Kasturbhai Lalbhai : May I ask the Honourable Member whether the Bombay Millowners' Association have asked for protection in the case of yarn ? They have not.

The Honourable Sir Charles Innes : They have asked for protection of the industry. But I wish to carry this matter a little further ; it may be that taking the question broad and large there is no case for protection in the case of yarn. But I want to carry it a little further into the different counts. Between counts 1 and 20 Indian mills have matters practically all their own way. In the last few years there is one noticeable feature of the position, and that is that Japan has been sending us a certain amount of yarn of counts between 16's and 20's. This import from Japan began in 1918-19 and in 1923-24 amounted to 12 million lbs. I admit at once that we in the Commerce Department have got to watch that. As I say it is quite of recent growth, this trade in 16's and 20's, and it has now reached 12 million lbs. and we have got to watch it. But the point to notice is that in these counts, 16's and 20's, the Indian mills produced 217 million lbs. and so there again you cannot say that there is any need for protection there. As regards 21's to 30's the position is exactly the same. Indian mills produced in 1922-23 209 million pounds. Imports were only 5 million pounds. It is between 30's and 40's that the Indian production and foreign production begin to compete and of course beyond 40's most of the yarn used in India is imported yarn. But the millowners themselves, as Mr. Kasturbhai Lalbhai very properly pointed out, at any rate in their evidence before the Indian Fiscal Commission, did not ask for any protection in yarn. On the contrary they rather objected to the imposition of any import duty on yarn on the ground that it might handicap the hand-loom industry. It was put to them that they had to meet competition above 30's, but they definitely went on to say that that was a question for the future and that as regards present Indian mills, many of them were not organised to produce counts of yarn above 30's.

Now, Sir, let me pass on to piece-goods. I have got some statistics here which I think will interest the House. In the three years ending 1914-15, the Indian mill production in piece-goods averaged 1,173 million yards. In the same period imports averaged 2,855 million yards. In 1923-24, the Indian mill production had risen to 1,700 million yards and the import had dropped to 1,466 million yards. That is to say the Indian mill production had increased by 45 per cent., and imports had decreased by 49 per cent. Again, taking the amount of piece-goods available for the Indian market, that is to say, the Indian mill production less exports *plus* imports less re-exports, on an average of the three years I have mentioned local production supplied 28 per cent. and imports 72 per cent. In 1923-24, the position was reversed. The local production supplied 52 per cent. and imports supplied 48 per cent. Now, I should like to include in these figures hand-loom production. Here, of course, we get more or less on to estimates, but it is comparatively easy to make a fairly reliable estimate of hand-loom production, if we proceed upon the assumption that one pound of yarn is equivalent to 4 yards of cloth—that is the basis adopted by Mr. Couborough. Now, we know the total amount of yarn available for consumption in India. If we convert that to cloth at one pound of yarn to four yards of cloth, and deduct from the total the known production of the mills, the balance represents hand-loom production. Now, taking the periods that I have been using, in the three years ending 1914-15, the total amount of cloth available for consumption in India was 4,917 million yards. The hand-loom production was 20 per cent. of that ; Indian mills provided 22 per cent., and imports contributed 57 per cent. In 1923-24, the total amount available for consumption in

India dropped to 3,711 million yards, and this is a very significant fact to which I shall have to refer. Hand-loom production contributed 20 per cent., Indian mills 41 per cent. and imports 38 per cent.

That is to say, local production—mills *plus* hand-loom contributed about 62 per cent. of the total amount of cloth available for consumption in India. Now, I would like to summarise these facts.

As regards yarn, the Indian mills supply 93 per cent. of the yarn consumed in India, Japan is sending a relatively small amount of the coarser counts and these imports require watching ; but it is absurd to say that any general measure of protection is required. The imports come mainly from the United Kingdom and are of the finer counts. The mill owners themselves pointed this out in their evidence before the Fiscal Commission and, so far from asking for any protection, rather objected to the imposition of a duty on yarn.

As regards cloth, the Indian mill production has increased by 45 per cent. since 1914-15, imports have decreased by 49 per cent., and Indian production now accounts for 62 per cent. of the total consumption.

As between Indian mills and imports, the proportion is now 52 per cent. for the former and 48 per cent. for the latter. But here, again,—and this is a point I wish to bring out—the position is very much the same as in respect of yarn. The imports come mainly from the United Kingdom and these imports are of the finer qualities of cloth, in which the Indian mills do not ordinarily compete. This fact has been admitted several times ; it was admitted by Sir Vithaldas Thackersey in this House, and in his evidence before the Fiscal Commission, and it was admitted by the millowners themselves in that evidence. They said in their memorandum presented to the Indian Fiscal Commission :

“ From the preceding paragraphs it will be observed that India's chief competitors, both in the home market and elsewhere, are Japan and the United States of America.”

The fact of the matter is that, as between Lancashire and Indian mills, the field of competition is very small. Each has its own sphere. The spheres overlap to a small extent, but the field in which they compete is small. The main competition—and I think I am correct in saying that it is the competition that the mill industry in India fears most—is competition from Japan. The United States of America have practically dropped out and the only serious competition which we get in piece-goods, in the class of goods which the Indian mills ordinarily make, comes from Japan. Now, in 1923-24, the Indian mills supplied for consumption in India 1,535 million yards of cloth. Japan sent 121 million yards. Thus, as between Indian mills and Japan, the former supplied 93 per cent. of the consumption in India and Japan less than 7 per cent. That is why I say the position in regard to piece-goods is practically the same as in regard to yarn. In those classes of goods which the Indian mills produce, they have practically captured the whole of the Indian market. And it is only in those classes of goods that the mill industry in India has what is known in economic language as a comparative advantage. Therefore, Sir, it is difficult to say that even a *prima facie* case has been made out for protection for the mill industry in India. I have admitted that the matter requires watching in certain aspects and you may depend upon it that we shall watch it very very carefully. And I wish to safeguard myself in regard to one point. I reserve judgment as regards “ hosiery ”.

Mr. Neogy devoted a lot of time to hosiery and I should like to tell him that we have that portion of the case under examination at the present moment. There is another point I have got to make. The House must understand that whether they accept Mr. Neogy's motion or whether they do not, I reserve the right in the event of this cotton excise being taken off or even earlier if necessary, to ask the Tariff Board to examine the whole of this case. Because you have got to remember this. The proper thing to do is not merely to take off the cotton excise duty but also to reduce the import duty. That is the only way in which you can bring any benefit to the consumer in India. And therefore that is a case which may require examination by the Tariff Board, whether in the event of the cotton excise duty being taken off, the import duty should be reduced, and whether, in any branches of the cotton trade, hosiery, particular counts, and so on, the industry requires protection. I may say that when the millowners gave their evidence before the Fiscal Commission, the only things for which they asked for protection were hosiery, cotton blankets, and calico printing. And they said that, as regards the last two—cotton blankets and calico printing—their request was a contingent one—contingent on the progress of the trade. Now, Sir, let me come to the cotton excise duty. In the public representation made the Bombay millowners say that Lord Hardinge publicly pledged himself to the necessity of the abolition of the cotton duties at the earliest possible date. That, Sir, is not a correct quotation. The matter is so important that I have brought an extract from the speech of Lord Hardinge in order to let the House know exactly what the assurance was. The exact words are :

“ The excise duty should for the present remain at its actual figure and an assurance given that it would be abolished as soon as financial considerations permit.”

There is some difference between “ at the earliest possible date ” and “ as soon as financial considerations permit ”. Now, Sir, the Government of India are always being accused of finding some argument to justify the retention of the duty. The suspicion is always voiced that we are retaining this duty in the interests of Lancashire. I hope I have exploded that latter feeling by the figures I have just given. I have pointed out that there is practically very little competition between Lancashire and India either in the matter of yarn or in the matter of cloth. Mr. Kasturbhai Lalbhai said that official memory in the redemption of pledges is apt to be short. Mr. Harchandrai Vishindas said that the Government of India apparently regarded promises as—(A Voice : “ Scraps of paper.”)—pie crusts made only to be broken. Well, Sir, I deny these statements absolutely. The fiscal history of the last few years shows how absolutely untrue these charges are. In the first place, the import duty was raised to 7½ per cent. in 1917 and to 11 per cent. in 1921 while the excise duty remained at 3½ per cent. That does not look as if we favour Lancashire. does it ? Again, the House knows perfectly well that the period that has elapsed since Lord Hardinge gave that pledge has been almost uniformly a period of deficit budgets. Sir Basil Blackett, speaking in this House in his first budget speech in 1923, pointed out that for five successive years the Indian Budget had been in deficit, and that the accumulated total of these deficits was no less than 100 crores. Now, Sir, that period of deficit budgets in the Government of India coincided with a period of absolutely phenomenal prosperity for the mill industry in India. I have got the figures here

Mr. Kasturbhai Lalbhai : What about Sir Malcolm Hailey's statement in 1922 ?

The Honourable Sir Charles Innes : I will come to that later. Between 1905 and 1914 (this is Mr. J. A. Wadia's statement) both years inclusive, the mill industry paid an average dividend of $10\frac{1}{2}$ per cent. on an average capital of $6\frac{1}{2}$ crores. In 1915 to 1922 both years inclusive they paid an average dividend of 53 per cent. on an average capital of $12\frac{1}{2}$ crores, and they paid away in the 8 years ending 1922 a sum of over 50 crores in dividends.

Mr. Kasturbhai Lalbhai : May I know what the jute mills paid out in Calcutta ?

The Honourable Sir Charles Innes : That has nothing to do with the question of cotton mills, Sir.

Thus, Sir, on the one hand, there were large deficits in the Government of India and on the other hand you have the mill industry undergoing a period of absolutely phenomenal prosperity. Would it have been reasonable for the Government of India to say in those circumstances : " Now the time has come to fulfil Lord Hardinge's pledge. Our financial circumstances now admit of our taking off this tax " ? If we had ventured to put that ridiculous proposal to the Indian Legislative Assembly, would the Legislative Assembly have considered it for a moment ? Of course they would not ; and what is more, they did not. In 1922 the whole question of cotton excise duty was open for discussion in this House. My Honourable friends opposite might have proposed that that cotton duty should be taken off, and had they carried that proposal, we would have been in great difficulties. But we could not stop them carrying that proposal. Sir, what happened ? Not a single non-official Member of this House ever suggested that that cotton duty should be taken off in spite of the fact that it was open to them to do so. Mr. Harchandrai Vishindas has been talking about our pledges being pie crusts, but he never thought of doing so. Sir Vithaldas Thackersey never thought of doing so ; Mr. Manmohandas Ramji never thought of doing so, and I claim, Sir, that in not taking off this duty up to this date, we have behind us the full support of the Indian Legislative Assembly.

Sir Purshotamdas Thakurdas : That is rather a good turn to it !

The Honourable Sir Charles Innes : There has been reference to a pledge, Sir. I know the Indian politician dearly loves to hasten a pledge upon the Government of India. The other day, Sir, I had a very good example of this. I said that we required certain powers in reserve but that we had no intention of making use of them at present. An Honourable Member opposite, Sir, missed out all about the necessity of keeping those powers in reserve but read out what I said about having no present intention of using those powers and then said that the Government of India had pledged themselves that they would not use those powers. And when I said that I had not given any such pledge, he said that my promises were not worth much.

Mr. Jamnadas M. Mehta : That is not what I said.

The Honourable Sir Charles Innes : Well, Sir, this pledge of Lord Hardinge of course stands on an entirely different footing. It was a definite assurance. He said that when financial circumstances permitted

this duty would be taken off, and naturally the Government of India must honour a pledge of that kind. But I beg the House to observe that since that pledge was made, circumstances have changed in two material respects. The first respect is that it is no longer within the power of the Executive Government to take off a duty. It requires the assent of this House and also of the Council of State. Secondly, since Lord Hardinge spoke, another question has come into prominence, namely, the question of provincial contributions, and I believe, Sir, that my Honourable Colleague on my right has said more than once that the finances of the Government of India will be ordered towards the reduction of these provincial contributions. Thus, when the day of a permanent disposable surplus arises, what will happen is this, the Government of India and this Legislature will have to decide between whether this disposable surplus should be devoted to the abolition of the cotton excise or to the reduction of provincial contributions.

Sir Purshotamdas Thakurdas : Not to reduction of import duties on piece-goods !!!

The Honourable Sir Charles Innes : I do not propose to attempt to-day to decide that issue. I am getting too old a hand in this Assembly—(Laughter)—to commit myself or the Government to anything until the need arises. Otherwise, Sir, my Honourable friend Mr. Jamnadas Mehta will read out what I have said and read into it what I did not say. So, I propose to be very careful. I am not going to prophesy. I am not going to say when my Honourable Colleague on my right will have this permanent disposable surplus, and therefore, Sir, I propose merely to balance the considerations which this House will have to weigh when the issue comes to be decided.

Diwan Bahadur T. Rangachariar : Not now ?

The Honourable Sir Charles Innes : I first put the case of the mill-owners as I see it. As I said just now, the Millowners' Association and the cotton mills generally have a strict eye to business. This is a very important matter to them because it means money, it means $1\frac{1}{2}$ crores of rupees into the bargain. (*A Voice* : "Into their own pockets ?") Yes, into their pocket and the pocket of their shareholders, and being business men they put in the forefront of their case their strongest argument, in fact, I was nearly going to say, their only strong argument. That is to say, they make this appeal to political sentiment and political feeling. I do not wish for a moment to depreciate in any way the strength of political sentiment or the importance which should be attached to it in a matter of this kind. But I do wish to point out that to some extent at any rate this grievance, which I admit to be a real grievance, has lost some of its force in recent years. When there was a $3\frac{1}{2}$ per cent. duty on imports and an equivalent excise duty undoubtedly the mill industry in India had a very real grievance. When it was a 5 per cent. import duty and $3\frac{1}{2}$ per cent. excise duty, undoubtedly they had a grievance, but that material grievance has been diminishing and now the House has got to remember that there is a gap of $7\frac{1}{2}$ per cent. between the excise duty and the import duty, and I think that even the millowners themselves will admit that they do not want more protection than $7\frac{1}{2}$ per cent. I notice, Sir, that the millowners and their representatives in this House are apt to concentrate mainly on that ground just like Mr. Harchandrai Vishindas who devoted a great portion of his speech to the history of this question. I notice that

these gentlemen are apt to shy off the economic grounds because they realise that they are on weak ground really. (*Mr. Kasturbhai Lalbhai* : "Not a bit.") *Mr. Kasturbhai* referred to a statement made by *Sir Malcolm Hailey* in this House. When we read that speech we find that that begins in the following way. He pointed out that the days are past when members of Government come down to the House and read out a carefully prepared and reasoned statement and that he was going to make some impromptu observations. *Sir Malcolm Hailey* was arguing in favour of a 4 per cent. increase in the excise duty and he did make that statement. But, *Sir*, I think my Honourable friend opposite has forgotten that since *Sir Malcolm Hailey* made those statements we have had a really authoritative exposition of the whole subject in the Fiscal Commission's Report. Theoretically the excise duty is sound enough. I would refer Honourable Members to paragraph 145 of the Report, page 84. What you have got to remember is this :

"In India, although about two-thirds of the cotton cloth consumed is locally produced, the imports are the main factor determining prices. This fact has been clearly brought out by *Mr. A. C. Couborough* in the tables and graphs appended to his Notes on the Indian Piece-Goods Trade. In the case of this commodity, therefore, the excise duty falls on the producer who is, however, able to meet it from the enhanced price that he obtains for his goods owing to the duty on imported cloth."

If the House will apply the financial canon quoted in paragraph 145 of the report, that is, the canon laid down by *Adam Smith* that "every tax ought to be so contrived as to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State," you will find that there is a very strong theoretical justification for the tax and it is this. If you take off this tax to-morrow you will not reduce the price of piece-goods by one anna. The price of piece-goods will still continue to be determined by the import price, and the only result will be that the cotton excise duty will still be paid by the consumer in India but it will be paid to the millowners and the share holders and will not be paid to my Honourable friend, *Sir Basil Blackett*. That is the difficulty that the House is going to be in when it comes to decide this question.

Mr. Kasturbhai Lalbhai : Will you kindly give the table prepared by *Mr. Couborough* showing what is the difference between the price of imported piece-goods and the price of piece-goods produced by the Indian mills ?

The Honourable Sir Charles Innes : I think that the Honourable Member has a right of reply later. I am aware that the Indian mill-owners and their friends in this House make statements that if the excise duty is taken off they will be able to reduce the price to the consumer. For instance, at this public meeting to which *Mr. Harchandrai Vishindas* referred, *Sir Jamsetjee Jejeebhoy* stated :

"Had there been no Excise, the Indian Millowner would not have been put to the necessity of tacking this item on to his cost sheet and recovering it from the consumer, and in times of depression and high prices he would have been able to cheapen his cost by 3½ per cent. to the benefit of his poor client."

Well, *Sir*, I have had a lot to do with business men in my life, and I may say that I have received the greatest assistance from the business men in India, both Indian and European. Throughout my time as Commerce Member they have been my guides, philosophers and friends. At the same time I must say that when you are discussing with a business

man a matter of business in which there is money going, well, I have learnt by experience to look after myself very closely indeed, and when, Sir, the Indian millowners and Mr. Kasturbhai tell me that if this duty were taken off, the millowners would promptly in a fit of generosity and justice reduce the price to the consumer, I take leave to disbelieve them. Statements of that kind must be received with a very strong pinch of salt. Let me prove that fact. I have devoted a great deal of time to this matter. I fear I have exhausted my time and I am afraid I cannot go into it in great detail but, Sir, in 1913-14 there were very heavy imports of cloth into India and when we began the war we had very heavy stocks in this country. The price of cotton was low, the price of cloth was low and it remained low till 1915-16. In 1916-17 the imports began to fall off, the price of cotton began to rise, the price of cloth began to rise faster. As time went on, the millowners got the position more and more under control. The imports fell more and more away. The price of cotton rose fast, the price of cloth rose very much faster still. The high water mark of mill prosperity was reached in 1920-21 and 1921-22. The imports were still small and the price of raw cotton averaged between 388 and 411 per candy, only a little over 30 per cent. above the price of raw cotton in 1913-14. But, Sir, the price of longcloth in 1913-14 was 10 annas and 3 pies a lb., and of *chaddars* ten annas per yard. In 1921-22 the price of longcloth was Rs. 1-13-4, or nearly three times the price of it in 1913-14. (Mr. Kasturbhai Lalbhai : "What was the price of cotton?") It was 30 per cent. above the price in 1913-14, and the price of cloth was three times, and that gives you some measure (Mr. Kasturbhai Lalbhai : "I challenge that statement") of the profits made by the mill industry in those years. Now, Sir, I brought out these figures so that the House may be under no misapprehensions about the statement of Mr. Kasturbhai Lalbhai and of the millowners generally that if you take off this cotton excise duty the price of cloth will go down. It will not, because it is not business and it would not be right that it should. I have no sentiment in this matter at all. The millowners are perfectly entitled to sell their cloth at the market price and their shareholders would call them to account if they did not. You cannot introduce sentiment into business. That does not alter the fact that if you take off this cotton excise duty and do not reduce the import duty, the excise duty will be paid all the same, but it will be paid to the millowners and not to the Government. I will not touch on this point any further. The other question which will have to be considered, is whether or not this House is going to bring about a reduction in the provincial contributions. We have been told recently in committees and elsewhere that diarchy is dead. I express no opinion on that point at all. But, Sir, if diarchy is dead, I hold myself that one reason why it is dead is that the Ministers had never had a fair chance. And why did they not have it? Because they have never had any money to burn. It will be for the House to decide whether they should utilise the permanently disposable surplus whenever it occurs in reducing these provincial contributions in order that Ministers in the provinces may have money to spend on education, sanitation and the like or whether we should utilise this surplus in removing what I know is a grievance on which this House and India generally feels strongly, namely, the removal of these cotton excise duties. That, Sir, is the issue which will have to be decided when Sir Basil Blackett is able to say that he has this permanently disposable surplus.

Diwan Bahadur T. Rangachariar : I am unwilling to interrupt my Honourable friend. Is that the only alternative ? Can you not put a super-tax on the profits of companies ?

Mr. President : The Honourable Member has invited the Honourable the Commerce Member to trench on ground which is out of order.

The Honourable Sir Charles Innes : I have tried to state my case as fairly as I can and I have also refrained definitely from offering any opinion one way or the other, but I regret very much that I cannot accept this Resolution in its present form, because it goes beyond the pledge we gave. The pledge was that this duty will be taken off as soon as financial circumstances permit and I do not think it is right for this House to say that we should take it off now. The question is one that will have to be decided when financial considerations permit.

Sir Purshotamdas Thakurdas (Indian Merchants Chamber, Indian Commerce) : Sir, the House may have anticipated I rise to support cordially the Resolution that is before the House and also the amendment moved by Mr. Neogy. The Honourable the Commerce Member for once at any rate has spoken with approval of some Bombay merchants who attend to their business and do not mix themselves up in politics except when politics affects their business. May I, Sir, point out to the Honourable the Commerce Member, or rather remind him of those good old days when the Bombay business men did not at all take part in politics and may I ask him to bring to his mind the result of that ? The result has been that commerce in British India is so much mixed up with politics and with such steps as the Government of India do take, not because the steps are good either for the commerce or industry of this country but because they are good for commerce and industry somewhere else. That opened the mind and the eyes of the Indian commercial community to the great necessity of men in commerce and industry taking part in politics and taking part in legislative assemblies like this. Sir, no better example of that can be cited than the one that is before the House. It is well known and it is admitted that as far as the Union Jack is concerned, it has always followed British commerce and British trade. In fact the East India Company which laid the foundations of British supremacy in India started in India, Sir, on commerce and on industry. But perhaps still better example as to why Indians in commerce and industry should take part in politics is given in a note by an *ex-Colleague* of my Honourable friend over there, the Honourable Mr. W. Stokes, who, writing in a minute on 13th March 1879, said as under :

“ The proposed exemption of cotton if made by a mere executive order will resemble what lawyers call a fraud on the power ; and there is, unfortunately, no Court of Equity to relieve the people of India against it.”

It is, Sir, this Court of Equity, the want of which men in business in India have felt acutely, that has made me take cognizance of all the political factors which may underlie any proposition. And I do not think that it is any humiliation or shame to admit that whilst I think commercially and whilst I devote myself to commerce and industry, I feel that I should be failing in my duty to my country if I did not take cognizance of the political factors which go side by side with commerce and industry and which must either develop it or tend to put it down. (Hear, hear.) I appeal to this House to-day as the Court of Equity which Mr. W. Stokes said in 1879 was absent for India : I plead before this House not in the

interests of rupees, annas and pies; I plead before this House in the interests of justice for India and in the interests of the fair name of India and, if I may add with the permission of my friends opposite, in the interests of the dignity of the Government of India. It will be a long time still before we can call this Government the Indian Government. I still is the Government of India. But I am sure His Excellency Lord Reading and my friends opposite still retain their sense of self-respect and that they will not hesitate to say the excise duty must go first and we will side by side with our House look after the financial part as regards a substitute if required for financial purposes. I repeat what I said before the Fiscal Commission, clean the slate: take off the existing duty which was put on at the dictation of Lancashire, the most selfish and wicked step ever taken by any Government, even by the British Government. That must disappear from Indian financial statements, and then we will talk as to how to replace it. I expected that the Honourable the Commerce Member would have said that the Government of India are quite prepared to agree that this should go; and then the House might have said "All right, if the Honourable the Finance Member wants a substitute for it, we will consider it in a committee". (*A Voice*: "Now the question should be put.") (Laughter.)

Sir, the Honourable the Commerce Member referred all the time to the millowners of Bombay and the cotton mills of Bombay. I am sure he could not have meant it, but I think I would like to complete the full names of the interests involved in this. It is the cotton spinning and weaving industry of India which includes not only Bombay mills but also those of Cawnpore, where I have not heard that a single Indian owns a cotton mill. It includes cotton mills in Madras and cotton mills in Calcutta. I think a good deal of prejudice which should have been avoided is being created by referring to the Bombay millowner who is alleged to be greedy and all the rest of it. I do not think there is any idea of giving this relief only to mills in Bombay and Ahmedabad from which latter place my Honourable friend on my left hails. It is, therefore, only fair to say that the whole question refers to cotton mills all over India, a very respectable part of which is to-day owned by Britishers also. But unfortunately Bombay many a time has got to do the spade work, and I assure the Honourable the Commerce Member that whether the millowner in Cawnpore and Madras joins the millowner in Bombay or not, the millowner in Bombay is determined upon not giving any rest to the Government of India until this obnoxious duty is off the Statute-book.

Sir, there is a very dismal and a very sad history behind this cotton excise duty, which I am very glad the Honourable the Commerce Member has made it unnecessary for me to dwell upon, by saying that every Britisher in India now recognises that the duty was bad and unjustly levied. I only wish he had said that every Britisher in India is anxious that this duty should be removed as early as possible. To that extent I call the remarks of my Honourable the Commerce Member very disappointing even at this very late hour, Sir. The Honourable the Commerce Member referred to protection for the cotton industry. Where does the question of protection come in? How can the Honourable the Commerce Member talk of protection to the cotton industry when that industry is still groaning under the very obnoxious burden placed by this duty, which is unjust and inequitable, wicked, and all the rest of the adjectives

that you can apply to it. We want no protection yet. We first want relief from this duty which was put on us not because the Government of India approved of it, but against the Government of India at the dictation of somebody else. I do not think the cotton mill industry want any protection until they are given what is their due and just relief. Sir, the Commerce Member also quoted figures, telling the House that they were very dry and difficult to be followed and still trying to make out a case that since the war broke out, the product of Indian mills has gone up and that imports have been reduced. I really wonder what is the inference that the Honourable the Commerce Member wants to be drawn from that statement. Do I understand him to say or imply that those figures show that the Indian cotton industry is in an ideal position? Surely if we have multiplied our mills, our spindles, and our looms from what they were before 1914, is that a thing which the Government of India look up to with any jealousy or with any disapproval? How much leeway has to be made up before India can supply all the demand in India for piece-goods, and if there is that leeway to be made up, is the Honourable the Commerce Member justified in complaining that despite this handicap of the excise duty, and despite the Government of India giving no encouragement to the Indian industry that the men engaged in the cotton industry have stood on their own and have built up the trade as they have? But, Sir, their progress does not remove their claim before this House to insist upon what is due to them, for freedom from a tax which was wicked in its inception and which is wicked in its continuation.

Now, Sir, we have again got in this matter another of those tactics --and I use the word without meaning anything objectionable about it-- that we have seen used by the Government benches when such questions come up. The Honourable Member wound up, or very nearly wound up, his case by saying that when the Honourable the Finance Member is able to spare the money, he will put the subject before the House to decide whether they want the excise duty off or provincial contributions off. What connection, Sir, is there between the two? And may I ask if the House is prepared even to tolerate the idea of touching this tainted money of cotton excise duty? (Laughter.) It is tainted money--tainted without the least doubt--in spite of the Honourable the Commerce Member laughing it out, money which comes from the dishonour of the people of India and the dishonour of the Government of India, money which comes in spite of the Government of India saying to the Secretary of State "We will not have this money". Look at the speeches which are printed very profusely in this book. There is not the least doubt about it, and I am really surprised at any Member on the opposite bench saying that he would recommend to the House to barter between what is the just due of Madras, the Punjab and Calcutta and this wicked duty the immediate removal of which is the just due of the whole nation, of the people of India as a whole irrespective of provinces or irrespective of any other differentiation. But, Sir, is it not also this that this House should insist on the provincial contributions and remissions which can be done owing to the retrenchments which have been made and which should continue to be made; The other question stands quite apart. Here, I come, Sir, to another very dismal aspect of the financial part of the British Government in India. Sir, the liquor excise was put on in order to check, consumption of liquor. The cotton excise is put on owing to dictation from Lancashire. Naturally, these duties go on increasing as population in-

creases and as other factors contribute towards them. When Mahatma Gandhi says—and there has been agitation for it for years now—that consumption of liquor should be put down, we are asked to replace the revenue from it. We must to assert the claims of the people now that we have got this Assembly which is responsible to the tax-payer. I would like to point out to my friends opposite with regard to the financial part of the question that it is no use the Honourable the Commerce Member trying to set off Madras and Bengal against what he thinks is the interest of Bombay alone. But I may assure him that it is not Bombay alone. It is the whole of India. Does he expect us to fight for the removal of the excise duty amongst ourselves? Let me warn the Honourable the Commerce Member that we will not fight in that matter. I am sure Honourable Members on both sides of the House, both from Bengal, Bombay and the Punjab will say with one voice that this obnoxious duty must go first. And, then, if the Honourable the Finance Member says that he still wants money, I assure him that we will sit down and consider what methods can be devised in order to get the money. But we shall not retain this duty for the miserable rupees, annas and pies, which it brings into the Indian treasury and which, I repeat, is tainted money.

Sir, the Honourable Mr. Neogy thought that the Government would not think of their prestige and would look at this question from the only aspect that the people of India can look at it, namely, the aspect of the national honour and, I repeat, the honour of the Government of India. But the speech delivered by the Honourable Member opposite, who presides so ably over the portfolio of Commerce and Industry, does not give one much hope that the Honourable Member himself proposes to look at it from that very correct and the only reasonable point of view which the people of India demand. I am afraid, Sir, the insistence on prestige may be asserted the wrong way. The fine sentiment of prestige may be worked in a wrong way if Government think that they imposed this duty on India in spite of their shrieks and in spite of the agitation in 1896 and they now propose to keep it there in spite of anything that may be urged, and that on one excuse or another against its removal. Sir, if this House claims to be the representative of the tax-payer and claims to be the protector of what is just and due to India, I submit that it can give only one verdict which will be that this duty must go first, that the duty cannot be considered on any other consideration and that those other considerations which any Honourable Member opposite may have to urge will be considered on their own merits when that duty is off our Statute-book.

I wish, Sir, to add one word regarding what my Honourable friend opposite thought fit to charge my Honourable friend representing the Ahmedabad Millowners here in connection with the greed of the cotton millowners. I wish to put to the Honourable the Commerce Member a very straight and direct question. Will the Honourable Member, when he gets up to reply, tell this House quite frankly how many merchants and how many industrialists during the war period have been found to be profiteering as badly, or at least equally, as the cotton millowners? The cotton millowners are not angels and they have never claimed to be angels. They are as human as anybody else. And, if anybody has taken them to be angels, he must be a very great simpleton.

The question is, will the Honourable the Commerce Member tell the House how many profiteers there are engaged in industries in India? I would remind him of one that I wrote to the papers about. Will he tell us how badly the jute millowners of Calcutta profiteered during the war period? The jute millowners bought their raw jute at 45 per cent. of the index number of the pre-war index, and sold their manufactures at a profit of over 200 per cent. (the figures are rough as I speak from memory). There could not have been a worse case of profiteering. Did the Government of India do anything to bring this under control?

Mr. President : Order, order. I cannot allow this debate to be made a competition between profiteers.

Sir Purshotamdas Thakurdas : I would not have referred to it at all, if the Honourable the Commerce Member had not referred to it himself. I would remind the Honourable the Commerce Member that if cotton industrialists did profiteer in India during the last war, there were many others who profiteered more. It is hardly fair to prejudice one particular class and not to mention others.

Mr. A. H. Lloyd : What about the export duty on jute goods?

Sir Purshotamdas Thakurdas : The Honourable the President has closed this discussion, otherwise I would have given you a reply, Mr. Lloyd.

I do not think this House, claiming as it does to represent the tax-payer, can afford to look at this question, in spite of any appeal which my Honourable friend opposite has chosen to make to this House, in any channel other than that of a great political wrong done to India. I still think it is not too late for the Honourable Member opposite to declare, on behalf of the Government of India, that the Government are prepared to take this obnoxious duty off. They may claim that they are acting under orders, and I will not quarrel with them for that, but I expect them forthwith to declare to this House that they agree that the excise duty must go. Then if they feel that they would want the money to be replaced, let them say so to this House. I for one am quite prepared to consider various alternatives that exist, a few of which I will detail and close my speech.

If you are so fond of an excise duty, you can have excise but on the decision of this House; and then too not only on cotton but on silk, wool, leather, or any other articles you like; but that excise can only be at the dictation and command of this House, and not at the dictation of Lancashire. You can have an increased duty on profits of industrial concerns if you choose to put further burdens on them. Last year the Bombay mills lost rupees one crore and seventeen lakhs and paid one crore as excise duty. Does he not think that at any rate is a burden from which the industry which is in his charge should be free? I appeal to this House in the name of the national honour of India to pass this Resolution unanimously.

Diwan Bahadur Ramachandra Rao (Godavari cum Kistna : Non-Muhammadan Rural) : Sir, the Honourable Sir Charles Innes made a very comprehensive speech reviewing the history of the subject from 1896 and set out various conclusions based upon statistics of imports from and exports to this country, and the manufacture of cotton goods in the mills of this country. With his main conclusions, Sir, I have no quarrel. The

Honourable Sir Charles Innes said that my Honourable friend, Sir Purshotamdas Thakurdas entered politics strictly with a view to business. Sir, so far as I am concerned, I represent a constituency of agriculturists who are interested in seeing that their wants are supplied with as little cost to them as possible. Therefore from that standpoint I am convinced that a remission of this duty will not necessarily be followed by a reduction in the prices of cloth, and therefore to that extent I am in agreement with the conclusion of my Honourable friend, Sir Charles Innes that, unless the present duty on imported cloth is reduced, the prices of cloth in this country will not be brought down. Sir, after expressing my agreement with that conclusion, I am still of opinion that the political aspect of this question, to which reference was made both by the Honourable Sir Charles Innes and Sir Purshotamdas Thakurdas, cannot be ignored. It is a question as to whether the financial arrangements of this country should be dictated to suit the requirements of Lancashire. Whatever may be the force of the argument of my Honourable friend, Sir Charles Innes, namely, that the evil effects of this duty have to some extent been minimised by the differentiation in the rates of duty on imported goods and of the excise duty on cotton manufactures, we are still of opinion, Sir, that this duty has been put on at the dictation of Lancashire, and for that reason it is our unanimous desire that this duty should disappear as early as possible, as stated in this Resolution. Sir, reference has been made to possible alternatives, should there be a surplus at the end of this year; and Sir Charles Innes expressed the opinion that the Ministers had not been given a fair chance and that the question of provincial contributions will have to be borne in mind in a consideration of this problem. Sir Charles Innes apparently wants to place us on the horns of a dilemma in case there should be a surplus; he has actually asked us, "Assuming there is a surplus would you have the scheme of provincial contributions given effect to or would you like to have this excise duty remitted?" I do not propose to answer that question at present. I am perfectly certain, Sir, that if my Honourable friend will place before us those proposals which may eventuate in the alternatives which he has suggested, he may rest assured that this House will give its best consideration to this question in the spirit of co-operation which my Honourable friend so ardently desires. He made a reference to the late lamented Democratic Party and expressed his belief that he did not see in the present Assembly that spirit of co-operation which he got in the last Assembly. Sir, I will at once say that I plead guilty to that charge. I have no hesitation in saying that if co-operation means wholesale acceptance of proposals placed by the Government before this House, without any consideration and solely with a view to facilitate the schemes of Government without any thought as to the wishes, aspirations and sentiments of the people, my Honourable friend may rest assured that he will not have that co-operation. But I would ask my Honourable friend at the same time whether he has any ground for complaint, seeing that at least in two important matters, namely, the Steel (Protection) Bill and the separation of Railway Finance, we have shown very considerable co-operation with the Government. I think therefore nothing will be gained by constantly telling us that we are not co-operating with the Government. I trust that if co-operation means that active association of both parts of this House in evolving any scheme, either of finance or legislation or administration, he may rest assured—I say with great diffidence also of my Swarajist friends—that we also shall not at all hesitate to co-operate with the Government.

Having said so much on this.... (Mr. V. J. Patel : "Speak for yourself.") My Honourable friend says that I should speak for myself. I never spoke for him or his party. But I venture to think that I see now and then proposals emanating even from my friend, Mr. Patel, constructive proposals for the modification of legislation and also on other matters which show that they desire to do their work in this Assembly in the same spirit in which I am doing mine. I do not wish to develop any quarrel with my Honourable friends on this side. I wish to state that we are not anxious, Members on this side are not anxious, to put money into the pockets of the millowners of Bombay, Cawnpore or Calcutta (*An Honourable Member* : "Or of Madras.") Or of Madras, certainly. My Honourable friends also recognise that there are very few mills in Madras and very little of the profits will get into our hands, at any rate. If after abolishing the cotton excise duty it becomes necessary to formulate proposals involving financial burdens, we are perfectly willing to look at those proposals of the Honourable the Finance Member. So far as I am concerned, I am willing, speaking for myself, to examine his proposals. The only way in which he could make up the revenue would be by some kind of additional burden on all those who are making profits in industrial concerns. I do not wish to go further than that. We are not anxious to fine the pockets of millowners and, if Government can bring forward proposals which, while unconditionally accepting the abolition of cotton excise duty, would if necessary make up the revenue thus lost by further taxing the profits of all industrial concerns, we may be willing to look at them.

The Honourable Sir Basil Blackett (Finance Member) : Sir, I have been invited so often to-day to make proposals for increase of taxation that I really hardly know where I am. I remember only two days ago the very thought that a Committee to inquire into our existing taxation might possibly make proposals for new taxation so frightened this House that they proceeded to vote that the Committee be dissolved. It is true that they went on to say that another one with much the same terms be established in its place, but they voted that it be dissolved for fear that it might suggest increased taxation. Now, from all quarters of the House I am being asked to invent new taxation to take the place of the cotton excise duty. (*An Honourable Member* : "Effect more retrenchment.") I will come later to your retrenchment. Now, the cotton excise duty is a tax for the history of which I have not a word to say. It was, I think, a tax bad in its origins, bad in its incidence when first imposed, and, when the Taxation Committee comes to inquire into it now, I think it will very likely say that it is a tax which even now is not altogether desirable in its operation. It is true that it is less undesirable now than it originally was because it has now no true protective effect as regards Lancashire as it had when introduced. With the duty at 11 per cent. for imports, an excise duty of 3½ per cent. on cotton goods produced in this country does not add to the cost of cotton cloth for the poor people. That is to say, it does not take money out of the poor people. It is import duty that does that. It merely takes money out of the pockets of the—I will not say Bombay millowners, but I will say the millowners who are represented by the Honourable Member who moved this motion. The effect of my Honourable friend the Commerce Member's speech on the Honourable Sir Purshotamdas Thakurdas was very interesting. He dropped all pretence that this was anything but politics. He said it was a tax that was bad in its origin and that it was tainted money and without any question of rupees, annas and

ples the Government of India ought to abolish it. I should not be averse to being the Finance Member in whose period this historic wrong was righted. But that is not to say that the present is necessarily the moment at which it can or ought to be done. The effect on the Honourable Sir Purshotamdas Thakurdas was to make him even more vigorous in his method of speech than usual. He thumped the table, he spoke of tainted money, he said that it would be a most wicked and selfish step if we did not now abolish this duty. He was very indignant because it was suggested that the Bombay millowners were profiteers. But he was warned by the Chair that it was undesirable to enter into competition with others in the matter of profiteering. But let me grant all his arguments that there are other profiteers. What do they prove? They prove that business men are business men and that if this duty is abolished every penny of it will go into the pockets of the millowners.

Sir Purshotamdas Thakurdas : That has to be proved.

The Honourable Sir Basil Blackett : If none of them are the angels with wings I cannot see, it is quite sure that none of them will, if they can help it, allow any of this to go anywhere except into their own pockets, with the one possible exception that they may allow a little of it to go a little further on political grounds.

Sir Purshotamdas Thakurdas : Have they no competition at all amongst millowners in India?

The Honourable Sir Basil Blackett : That is to say, if the jute millowners are all that Sir Purshotamdas claims they are. Sir Charles Innes has clearly made out his case that the abolition of this duty at the present moment means the taking away of $1\frac{1}{2}$ crores from the Finance Member—the angel on this side of the House to give it to the angels who represent Bombay.....

Sir Purshotamdas Thakurdas : Will it go only to Bombay? Will it not go to Cawnpore?

The Honourable Sir Basil Blackett :and it will still be paid by the agricultural labourer whom Mr. Ramachandra Rao represents. Sir Purshotamdas Thakurdas, Mr. Neogy and Mr. Ramachandra Rao have accused us of trying to put them in a dilemma—between provincial contributions and this duty. Sir, it is not we who are putting them in a dilemma. The dilemma is there. It cannot be avoided. This Assembly has a responsibility in the matter, and it is a responsibility which it cannot avoid. Mr. Neogy said that it was for me, not for him, to provide a substitute. It is undoubtedly for the Government of India, when the time comes, to suggest a substitute if necessary. But it will be the responsibility of the Assembly to choose. I remember that when we were discussing provincial contributions just before last year's Budget, the House eventually decided that rather than recommend an immediate reduction in provincial contributions it would prefer to adjourn the discussion because it was afraid that if it recommended an immediate reduction of provincial contributions, it might encourage the Finance Member to suggest additional taxation for the purpose of meeting them. But now the House is apparently prepared to recommend the immediate abolition of the cotton excise duty and at the same time to recommend that we should find some substituted taxation. It will not be in order for me at the present moment to go fully into the question of substituted taxation. I have heard several suggestions. Mr. Shamlal Nehru interjected a suggestion that we should

increase the import duty on cotton. Since that would simply increase the charge on the agricultural labourer and put additional sums into the pockets of the millowners, I am sure that I have only to put the suggestion to be rejected. Another suggestion that I have heard put forward—it is quite an interesting one—is that we should impose some special duty—a sort of corporation profits tax—that is what it comes to—on the profits of all companies registered in India. We are not in a position to-day to discuss the merits or demerits of that suggestion, but I note it. One of the advantages of the cotton excise duty is that it is a comparatively certain and stable revenue which does not vary with the profits.

Mr. Kasturbhai Lalbhai : It varies with the price of cotton.

The Honourable Sir Basil Blackett : It does not vary to the extent a duty on profits varies.

Mr. Kasturbhai Lalbhai : It varied from Rs. 50 lakhs in 1917 to Rs. 2 crores and odd lakhs in 1921-22.

The Honourable Sir Basil Blackett : I wish the Honourable Member would retain his interesting remarks for his later opportunity of speaking. It does not vary in the way that duty on profits varies. Another alternative which might be considered would be a small annual tax on the capital of all companies in India. I shall be interested to hear how these suggestions are received by the country at large. But another suggestion is made that it be met by retrenchment, and I do want to put before the House the position therein. As I explained in my budget speech this year we are faced with an initial deficit of 2 crores of rupees at the beginning of next year on the basis of this year's figures—I do not say that we shall not be able to avoid it, but we shall have to find an increase of revenue or a reduction of expenditure to the extent of two crores before we balance at all next year. In addition, we have got something like over 9 crores of rupees of provincial contributions, that is to say, we have got to retrench to the extent of 11 crores or we have to get out of improved revenue from our existing taxes an extra 11 crores before the Government of India budget balances without the provincial contributions. In those circumstances, it is quite obvious that this question whether the excise duty has to go first or the provincial contributions are to be begun to be reduced first comes before us in the form of a dilemma which we cannot avoid. There is no hope next year, or the year after next, or the year after that that we shall be in a position both to get rid of the cotton excise duty and to give up the provincial contributions. There must be a choice between them unless as I say we are to take some additional taxation from some other quarter to make good the cotton excise duty. It is not a dilemma that the Government are cleverly putting before the House. It is a dilemma that exists and cannot be avoided. When we do come to consider that, I think the House will have to consider whether we are justified in making this moral gesture the value of which I do not underestimate of getting rid of a tax which historically had an origin which is not defended but which has now probably comparatively little to be said against it—unless you were simultaneously, as my Honourable friend, Sir Charles Innes said, to reduce the import duty so that the poor man would really get the benefit of the relief—we shall have to consider whether that tax which is an old tax should be got rid of simply on political grounds because it is tainted money which I noticed Sir Purshotamdas did not in the least object going into the pockets of the millowners.

Sir Purshotamdas Thakurdas : It ceases to be tainted money then.

The Honourable Sir Basil Blackett : If I find a rupee on the road, it goes into my pocket even if it has a nasty spot and I do not regard it as tainted, but I should be inclined to warn a friend if he took it that it might be carrying disease. Sir, all I want to put before the House is this. We are to-day asked to pass a very definite Resolution recommending that early steps be taken to abolish the cotton excise duty. We are not in a position to-day to consider it really on its merits other than its political merits. We are not in a position to-day to consider on its merits whether it is the first tax that in the interests of the people of India ought to be got rid of, or whether it is desirable to get rid of it and put another tax in its place. We are not in possession of the facts, nor would it be in order to discuss that sort of question in full here. We are asked therefore on political considerations to tie ourselves to a point of view which it is impossible for us to discuss fully and which I do urge this House to consider may not be in the interests of the people of India as a whole. We were discussing only two days ago the economic condition of the masses. Is this crore and a half more likely to help the economic condition of the masses if it is put into the pockets of these millowners who will not regard it as tainted, or if it is devoted to the reduction of the provincial contributions and improving the education of the masses? These questions are all before us and we cannot get rid of them by saying that we are voting solely on political grounds. I do not for a moment contend that on political grounds there is not a great deal to be said for this Resolution, but I do say that there are many other grounds on which it ought to be considered, and neither I, as the Finance Member, nor you as the Assembly, are justified in making a moral gesture at the possible expense of the people of India as a whole even if it is for the benefit of particular individuals.

Colonel J. D. Crawford (Bengal : European) : I wish to emphasise one point which has been brought forward by the Government benches and Government benches alone. I have listened to the fierce, I might say almost indecent, advocacy of the millowners in this House for the removal of the cotton excise duty. I will admit.....

Pandit Madan Mohan Malaviya : I rise to a point of order. Is the Honourable Member entitled to use the word "indecent"?

Mr. President : Did the Honourable Member use that word?

Colonel J. D. Crawford : Yes.

Mr. President : Then the Honourable Member must withdraw that word.

Colonel J. D. Crawford : I beg to withdraw the word "indecent" and to substitute the word "improper". I will admit the desirability of the withdrawal of this excise duty on cotton on political grounds, but I have one suggestion to make and that is that the money thereby obtained shall go to the people. I listened to the brilliant speech which has come from the Commerce Member and I waited long to hear the representatives of the people get up and insist that this money shall go into the pockets of the people of India. Not one word has been said. On the last occasion when the debate on the Taxation Committee took place my friend Mr. Patel told us of the horrible condition of millions of Indian masses in this country, conditions which

we all know, and which we all realise but when the case comes to be put to the practical test he is not ready to stand up in this House and demand that this money instead of going into the pockets of the mill-owners shall go to the masses. I trust Mr. Chaman Lall will stand up in this House and repeat the facts which he told us on this point, about the deplorable condition of the workers in the Indian cotton mills which are Indian-owned. I trust Mr. Joshi who is the only Indian Member, so far as I know, who has realised the necessity of getting this money for the benefit of the people in India will also rise and support me in saying that the excise duty on cotton will be removed only if measures can be found to place it in the hands of the people. The Honourable Mr. Neogy said that the popular voice of India was behind him in demanding the repeal of the cotton excise duty. I contend that there is a different tax the repeal of which will probably receive more support in the country than even the repeal of the cotton excise duty. That is the repeal of the income-tax. This is not a debating society. We are here to provide revenues for the administrative work of the country, and if we suggest the withdrawal of one tax it is up to us to say how we intend that the revenues of the country shall be made up. The question is one really of general expediency. The injustice, it will be admitted, which was done has been made good by the increase of the import duty on cotton and we are now asked to consider the question of its withdrawal quite apart from the question of other taxation which is placed on the country. I hold that it is not a separate question. If we consider the withdrawal of this duty, we must consider what other duties have a right also to be withdrawn, and I say that some of those duties which have recently been put on with a view to balance the budget are those which call for primary consideration. I feel also that one of the great needs of the country to-day is the reduction of provincial contributions, so that we may have money for the education of the masses and for the improvement of the conditions under which they live. These are questions which to my mind come before the withdrawal of this particular duty on political grounds. I stand here somewhat disgusted, that the so-called representatives of the masses have not urged, as the Government Members have urged, that if this duty is repealed the benefit shall go, not into the pockets of the millowners, but into the pockets of the people. On these grounds I beg to oppose the Resolution.

Mr. H. G. Cocks (Bombay : European) : Sir, I desire to support this Resolution and I do so mainly on two grounds. I do not want to dwell on the historical aspect of this question, which has taken quite sufficient time to-day, but I think it has been admitted from the benches opposite that the day that this duty becomes expunged from the Statute-book will be a very good day for everybody. It will deprive this House of a very interesting subject for debate, no doubt, but on every other ground I think we shall all be pleased to see the end of this tax owing to its objectionable associations. But I oppose the tax mainly on the ground that it is a tax on production, and a tax on production of an article which is in use by the masses. We have been told, and it is not disputed, that the cloth which our mills manufacture is the cloth which is mainly used by the masses, and therefore on that ground I say a duty on the production of an article of this sort is a bad tax. If you have got to have an excise duty on production, then I think it should be at a smaller percentage and it should be much more widely spread. It would not be difficult to name other industries in India

on which a tax on production could be imposed, and if the rate were more moderate it would obviously make it easier to deal with and easier to collect.

I wish also to say a word about the argument which has been used from the Government benches, that if this tax is removed to-morrow, the whole amount will go into the pockets of the millowners. That may be very good as an election cry, but I do not think it is a sound argument to put forward in this House. It is obvious that, if at the present time when your mills are making a loss, you take off this duty, that will in the first place remove that loss, and we will assume no profit and no loss will be the result. To a mill to-day which is not making a loss and not making a profit, but is just paying its way, it is obvious again, that if you take off this duty, you will be allowing a small profit to be made and possibly a small dividend to be paid. In that sense the amount goes into the pockets of the shareholders, or it may go to the reserve, which is much the same thing, although the shareholder may not perhaps think so. But take the case of a mill which makes half an anna per lb. margin on its cloth. After all mills deal in margins, for they have got to work for a margin between the sale price and the production price. They have got to try and keep machinery running at full swing and they have got to dispose of their total production. If they are now making a margin of half an anna a pound, it is obvious that, if you take this duty off, you are going to give them a bigger margin, and the result of this must be a tendency to a reduction of prices. They are going to be able to compete with the Japanese article more easily, and that is going to help to keep the mills further to work, and it is going to enable them gradually to reduce the price of their cloth. I do not say that if you take this duty off, the immediate effect will be that the consumer will get the benefit of the whole of it. But I do say there must be a tendency in that direction and that must be the result in the end. The question of Japanese competition has been referred to, and the Honourable Sir Charles Innes, I was glad to hear, stated that it was being watched very carefully. I am very glad of that because it is certainly a menace and unfortunately the competition between the Indian mill and the Japanese mill does not seem a very fair competition. In a speech made by Captain Sassoon in Bombay a short time back he spoke as follows :

“ When we realise that Japan has 48 lakhs spindles against our 79 lakhs and yet consumes the same amount of cotton as we do, roughly 2 million bales, I must point out that they work 22 hours a day, in two shifts, whereas our Indian mills are restricted to a working week of 60 hours, and I might here mention that though Japan has agreed to ratify the Washington hours of labour conditions, they have not to date done so, but keep on putting the world off with an excuse. Besides the advantage of these long hours, they have been using cheap female and child labour against our male labour, they have a high protective tariff which enables them to dump their surplus into India at a low rate, backed up as they are with favourable freight rates through the subsidies paid to Japanese lines.”

The Japanese competition is a very important factor at the present time and I am glad to know that it will be watched.

If this duty is removed it will, it is true, give the Indian mills a greater protection than they now have over the imported article, but I am not quite sure in view of those remarks of Captain Sassoon, whether it is not desirable that that additional protection should not be given, certainly so far as Japan is concerned.

Sir, you have ruled that we must not go into other questions of taxation to any extent, but the matter has been debated to some extent and the

Finance Member this morning suggested that if we were going to support the abolition of this tax we should be prepared to suggest substitutes. He has named this afternoon two or three. He did not refer, however, to any regrading of the income-tax. It seems to me if the masses of this country are so poor that they cannot stand a very small extra charge for their salt, and so on, then we shall have to leave the masses alone. This question will be subjected to the investigation of the Taxation Inquiry Committee, but if that is proved to be the case, that we cannot tax the masses, we shall have to consider the question of taxing the smaller incomes. I refer to incomes, we will say, of Rs. 500 upwards, because it is obvious that additional super-tax in this country is going to yield you very little. The number of incomes liable to super-tax is very limited, and you have got a great mass of humanity earning very little. We are told you cannot tax them at all. We are told they cannot bear the salt tax, which is one remedy for the abolition of this excise duty, and therefore to my mind you will have to consider the question of regrading the income-tax. At present no income under Rs. 2,000 pays any tax and the tax on an income of Rs. 3,000 only pays Rs. 78 or Rs. 6½ a month. That is another method of taxation. I know the income-tax is as unpopular as any other tax but you have got to get money somewhere. We must have this cotton duty removed and we must have the provincial contributions attended to at the earliest possible time. I am not going so far as to suggest that the removal of this duty necessarily comes in the forefront of everything else. That is a matter for the Taxation Inquiry Committee and a matter for this House; and it may be that in view of the fact that the import duties have gone up and the excise duty has remained the same, it will be desirable in the interests of the country generally to keep the excise duty at the figure at which it now stands for another year or two; but that does not prevent me from supporting this Resolution to the effect that it should be removed,—that the Governor General should take early steps to abolish it; and I hope it will be possible for him to take those early steps and at the same time take steps to remove or alleviate the provincial contributions by a general amendment of the taxation system of the country.

Mr. C. S. Ranga Iyer : I move that the question be now put.

The motion was adopted.

Mr. Kasturbhai Lalbhai (Ahmedabad Millowners' Association : Indian Commerce) : Sir, Mr. Neogy's amendment desires me to drop the latter portion of my Resolution dealing with the protection to the textile industry. Although I would much desire an investigation by the Tariff Board to devise some means to afford protection to the industry against the inroads of Japan, which is selling yarn and piece-goods in the Indian market below the cost to the Indian manufacturer, I accept Mr. Neogy's amendment rather than allow Government to use the Tariff Board as a peg whereon they can hang the considered decision of this House and defer action as they have done in the case of bounty-fed African coal.

Sir, it has been a painful surprise to me to listen to the defence which the Honourable Sir Charles Innes has ventured to put forward in favour of the cotton excise impost. The tax had not so far been defended on merits by any responsible official from Sir James Westland to our ex-Finance Member, Sir Malcolm Hailey. It has been condemned by Prime Ministers in England, representing three different schools of political thought, namely, Conservatives, Liberals and Labourites, the last among

them being our present Premier. Viceroy after Viceroy from the time of Lord Curzon onwards have also condemned it ; and it would have been more consistent if the Honourable Commerce Member had cared not to go back on the considered opinions of all these personages. In fact when he laboured the point of showing the percentage supply of yarn and cloth by Indian mills to this country, I could not persuade myself to the thought that I was listening to the Honourable Member in charge of the commerce of this country whose sole interest, I believe, should be the advancement of the commerce and, if I may say so, of the industries of India and India alone.

Sir Charles tried to prove that Indian cotton mills supply about 90 per cent. of the local demand for yarn and have little to fear from foreign competition in this line. But in arriving at that percentage, he has conveniently forgotten to mention that the cloth produced by Indian mills and hand-loom from this 90 per cent. of yarn represents only about 60 per cent. of the country's normal requirements. Sir Charles Innes has also referred to the profits of cotton mills. It would have been more illuminating if he had given us comparative figures of profits made by the textile industry elsewhere, *e.g.*, England, America, Japan and so on, during the same period. I think the House would have been glad also to have figures of profits made by jute, woollen and such other concerns in India during the war time. I ask, Sir, have cotton mill profits been higher than those of jute, which declared 130 per cent. dividends during the war period? I venture to submit that taking a number of normal years the profits of Indian cotton mills have not been more than 10 per cent.

The House is familiar with the position of the last and current years in which cotton mills were made to pay the excise impost on cloth production in spite of losses. Without dilating further upon this point, I need only remind the Honourable Commerce Member of what his Colleague, Sir Malcolm Hailey, said in 1922. He observed :

" We realise that our conduct in regard to the Bombay and Ahmedabad mill-owners must be one of caution.....Allusion has been made to the profits made by them.....but they have earned these in fair trade and no one need grudge a business man the profits earned by industry and enterprise. We least of all grudge them."

I may also be permitted to say, Sir, that while the profits earned by the Indian textile industry have returned to the community in one form or another, those which our foreign competitors made were simply a drain on India. The phenomenal progress of the industry was also referred to. Percentages in such cases are misleading and in spite of all Sir Charles Innes may say the fact remains that while during the last 23 years in which the industry has been burdened with an excise impost, the increase of spindles in America has been 2 crores and 74 lakhs, in England one crore and 11 lakhs, in Japan 43 lakhs, (working night and day, *i.e.*, 86 lakhs), in India it has been 41 lakhs only. In looms also we continue to remain in the background in the same manner. America increased its looms by 3 lakhs 82 thousand, England by 1 lakh 88 thousand, Japan by 58 thousand, (working night and day, *i.e.*, 1 lakh and 16 thousand), while this country could only add 1 lakh and 9 thousand to its looms in all these years. I leave it to the House to judge for itself whether the progress could be at all deemed satisfactory when we consider the resources and the needs of this vast country.

It was suggested that the continuance of the duty is not a grievance as it is low and that in 1922 nobody asked for its repeal. It is sufficient to quote Sir Malcolm Hailey again who said during the course of the discussion on the Finance Bill in 1922 :

“ Both Lord Hardinge and Sir William Meyer gave expression to the sentiment which I still feel and my colleagues, I am sure, still feel that the cotton excise duty in itself *qua* countervailing duty was undesirable and that it ought ultimately to be removed.”

Where was the necessity of this apologia by the Finance Member if there was no grievance against the duty ? The Government desired to raise it and had ultimately to keep it at its original level, not because people did not want its repeal then, but merely as a compromise for the time being, *i.e.*, pending the considered verdict of the Fiscal Commission which was then sitting but which has now condemned the tax unequivocally.

Sir, we are told that, before the Fiscal Commission, the Bombay Mill-owners' representatives did not ask for protection to cotton textile mills. As stated in my speech, the present difference of $7\frac{1}{2}$ per cent. in the import and excise duty is illusory. We have to pay duties on machinery, stores and in some cases on yarns from which the foreigner is exempt. I find, moreover, that the Bombay Millowners' Association in its written statement emphatically asked for protection and added that, while adhering to that policy, it did not approve in theory or practice of the imposition of excise duty in the case of any article with the possible exception of spirituous liquors. The millowners' point of view has been clearly expressed in the latter half of paragraph 168 of the Fiscal Commission Report and by the majority of the Indian members of the Commission in paragraph 20 of their able minute. The recent representation of the Bombay Millowners is also in the hands of Government, which shows what their present views are. I may add that Mr. J. A. Wadia, who is an authority on this subject, urged in his last year's review of the cotton mill industry for a protective duty of 22 per cent. on foreign cotton goods. This is not more than what Japan and America have done and India may well take a chapter from their books in this case.

It has been said, Sir, that cloth prices in India are regulated by the foreign imports. The statement given by the Honourable Pandit Madan Mohan Malaviya should prove to the satisfaction of the House that the prices of Indian piece-goods are not controlled by imported piece-goods but by the internal competition.

Sir Charles Innes has tried to make much of the expression “ financial considerations ” used by Lord Hardinge while assuring this country of the Government's intention to repeal the cotton excise impost. This assurance, Sir, bears a strange, yet close, analogy to a similar assurance given in 1877 by Lord George Hamilton, Under Secretary of State for India, and the Secretary of State, Lord Salisbury, to the textile manufacturers of Manchester to repeal the import duty on cotton goods as soon as the *financial condition of India would permit*. That assurance was given in spite of the unanimous and considered verdict of the Fiscal Commission of 1874, which was, that the low import duties then prevailing on cotton yarn and piece-goods were fair and equitable and that the contentions of Manchester regarding their supposed protective nature were without foundation.

Lord Northbrook's Government was also opposed to its repeal. But none of them were listened to and the assurance to Manchester was given effect to partially in the next year, 1878, which was one of adverse finance and fully in 1882, again in the face of a deficit budget and famine.

But what is the fate of the assurance given to the Indian textile industry in 1916 ? It hangs fire on one ground or another. The year 1924 opened with a balanced budget accompanied on the other hand by widespread depression and consequent unemployment in the textile industry. If I read the revenue figures correctly for the current year, I feel the Government may be expected to earn at least about 3 crores of rupees over their estimates in customs duties alone. In fact, the last five months returns are already Rs. 3 crores above that of the previous year and the highest so far recorded in the same period at any other time. Railways are expected to bring in at least a crore of rupees more than the budget estimates. Exchange, which has been calculated at 1s. 4½d. for the purposes of the budget has remained higher by about three-fourths of a penny in the year so far ; and to my mind, there are no signs of its going down. This may give an extra crore or two to the Government. Revenue estimates in respect of other heads are not also wide of the mark, and I have no hesitation in saying that if Government will it, the time is opportune to redeem their solemn pledges to the indigenous industry. I contend, Sir, that even if no surplus were available and if revenue is required, there can be no justification for discriminating the cotton textile industry from others such as jute, silk and woollen mills for the imposition of an excise tax. Why do not Government spread the burden equally over all industries if revenue is indispensable ?

The Honourable Sir Basil Blackett referred to the profit tax and said it was not desirable as it varies. Sir, the variation in cotton excise duties has been from Rs. 50 lakhs in the year 1917 to Rs. 2 crores and odd lakhs in the year 1921-22.

Sir, the cotton excise impost has been resented in this country from its inception ; the whole country excluding a Chamber or two interested in the import trade is at one in asking for its immediate repeal to-day, and before I close I may be permitted to sound a note of warning that India would not placidly submit to step-motherly treatment in the matter of this tax any longer. She is not going to accept the unhappy position that assurances given to English manufacturers alone are enforceable while those given to Indians are a mere scrap of paper. It is up to this House, Sir, to see that the indigenous manufacturer is not denied his natural and just rights in his own native land.

The Honourable Sir Charles Innes : Sir, I do not propose to keep the House very long. In fact, I do not think there is any need for me to do so, because, in spite of the long debate we have had, I have not been able to discover that my arguments have been seriously challenged by any one. Mr. Kasturbhai Lalbhai has accused me of grudging the mill-owners their profits during the war. Mr. Kasturbhai Lalbhai had no right to make that statement at all. What is the history of this matter ? In his opening speech Mr. Kasturbhai Lalbhai stated that in regard to pledges, official memory was short. He has just now stated that we regard these pledges as a scrap of paper. I had to take up that point, and in order to meet it, I compared on the one hand our deficit budgets and on the other hand the profits made by the millowners during the war. I

never said that I grudged them those profits and I do not grudge them those profits for a moment. But if the millowners and their representatives in this House make statements of that kind, they must not be surprised if these profits of theirs are brought out into the light. He seemed to me to be unduly sensitive about it.

While I am on this matter I should like to make an apology to my friend Sir Purshotamdas Thakurdas. He accused me of referring all through my speech primarily to the Bombay millowners. I am afraid I did and the reason why I did so was this. I regard the Bombay Millowners' Association as the Association which is entitled to speak with authority for the whole of the cotton industry in India, and when I referred to the Bombay millowners I hope, Sir, the House will recognise that I was referring in short terms to the Bombay Millowners' Association which as I say is the recognised authority on all matters connected with the cotton mill industry. Let us get back to this matter. I have been accused of having tried to place the House in a dilemma. I assure the House that nothing was further from my thought. As the Honourable Sir Basil Blackett has pointed out, we did not create the dilemma, the dilemma is there. It has been suggested that this tax is to be kept on for the benefit of Lancashire. Surely, the House must realise that a statement of that kind is absolutely untrue. We have a measure of fiscal autonomy in India. That fact is proved by the Steel (Protection) Act which we passed last July, and the House may take it from me that, when this question does come to be considered, if this House and the Government of India arrive at an agreement the Secretary of State will not interfere nor will Lancashire. The whole question will be decided, and must be decided, solely with reference to the interests of India. That is why I ventured to bring out in my speech the economic aspect of this question. If the question is one merely between the Indian tax-payer and the Indian producer, surely this House and the Indian people are robust enough to look at the matter purely from the economic aspect with reference to what they consider to be the interests of India. I have no doubt that they will take into account the unhappy history of this matter. I myself, speaking personally, would be glad to see the Cotton Excise Duties Act off the Statute-book if only for the reason that then I should not have to engage in these very acrimonious debates. But if I defended the tax I defended it solely in order that when the House does come to consider the question it may consider it purely in a dispassionate manner. The Honourable Pandit Madan Mohan Malaviya may talk as much as he likes, but he cannot alter economic facts, nor Mr. Gasturbhai Lalbhai, nor Mr. Cocks. The economic fact is, and it has been brought out in the report of the Fiscal Commission, that the price of piece-goods in India is governed mainly by the import price. That is the difficulty we shall be up against. If you take off this tax you will not reduce the price of cloth. The excise duty will still be paid but it will be paid to the millowners and not to the Government. That is a fact which will have to be borne in mind when you weigh the claims of this tax for abolition and those of provincial contributions for reduction. There is no good blinking that fact. There is no good trying to cloud the issue, trying to take this question away from the economic sphere altogether and bring it back to the political one. This House has got to stand up to its responsibilities to the people of India, and Sir, when the question does come to be decided I have no doubt but that they will. That, Sir, is all that I have to say.

Mr. President: The original question was:

“That this Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by a majority of the Indian members on the Indian Fiscal Commission and to be pleased to direct the Tariff Board to further examine the question of protection to the Indian cotton mill industry at an early date.”

Since which an amendment has been moved :

To omit all the words after the words “Indian Fiscal Commission”.
The question that I have to put is that that amendment be made.

The motion was adopted.

Mr. President: The question is that the “Resolution, as amended, be adopted.

The motion was adopted.

24th September, 1924.

RESOLUTION *RE* APPOINTMENT OF A COMMITTEE TO INQUIRE INTO THE CAUSES OF RECURRING FLOODS.

Mr. Bhubanananda Das : Sir, the Resolution runs as follows :

“This Assembly recommends to the Governor General in Council that a committee of experts be immediately appointed to inquire into the causes of the recurring floods all over India and to advise the Central and Provincial Governments on the best remedies against such floods.”

Sir, I gave notice of the original Resolution in the Assembly and I am happy to find that I am now moving the same Resolution in this House and by the time I finish moving this Resolution I hope I shall get the support of the House in the proposition that I put forward in this Resolution. It has always been taken for granted that floods are due to providence, like epidemics, famine, etc. But floods are due mainly to human factors. Members of the Treasury Benches may not agree with me but I hope by the time I have finished I shall convince them that it is the hand of man that is responsible for these floods. In the February session of this Assembly I had the temerity to ask a question in this House which was as follows :

“Have Government inquired into the causes of the floods which are happening in several parts of the country ?

Are Government aware of the popular belief that the ravages of the floods are due to natural waterways being blocked up by railways which have failed to provide sufficient bridges and culverts ?

Have the Government made or do they propose to make a full inquiry into the matter ? ”

Mr. Butler, the former Secretary in the Agricultural Department replied :

“The Government of India are not aware of the popular belief referred to in the question and have no information justifying any such idea. In individual cases where a flood has been proved to be partly due to the insufficiency of waterway in the railway embankments the necessary addition waterway has been provided as early as possible.”

I am glad the Department of Meteorology was not asked to reply to these questions. The Agricultural Department is concerned with the

after effects of floods. They are not concerned with the causes that bring about so many floods. I wish the former Secretary of the Agricultural Department had replied that it is the sun that is responsible for the floods, because the sun heats the water, clouds come and thereby floods are caused. But of course the Honourable Mr. Chatterjee was saved from a reply to those questions and they were thrust on the Agricultural Department. (*The Honourable Mr. A. C. Chatterjee* : "I was not aware even of these questions.") We on this side of the House asked a series of supplementary questions that created quite a furore in the Anglo-Indian press. Sir, none of us believe that the Government of India, spending the rainy season on the heights of Simla, can ever imagine that floods happen in the country. I know occasionally there are landslides in Simla that sweep away the poor huts inhabited perhaps by some poor member of the staff of the Secretariat. But I do not think the Treasury Bench can realize the troubles and disasters of floods. Sir, since then my very assiduous friend Mr. Gaya Prasad Sinha has tabled interpellation after interpellation quoting chapter and verse from Government reports and proving that railway and similar embankments are the reasons why there are so many recurring floods in India. At last, only this session Government had to admit that the facts were as they were stated and that railways were partially responsible for floods in India. Yet it is curious of the mentality of the Treasury Bench that to a question of Mr. Gaya Prasad Sinha in the Delhi session about the causes of floods my Honourable friend Sir Henry Moncrieff Smith replied that it was a question for Local Governments to decide and it was a matter in which the Government of India had very little interest. Sir, the waterways, rivers as they are commonly known to the people of India, are the natural courses of drainage of rain water to the sea. India has many mighty rivers extending over thousands of miles, running from east to west, north to south or west to east, depending upon the watersheds of these rivers. These waterways did shape their course taking the natural path of low level flow to the sea. In the formation of the topography of our country, as in the geological formation of land in any other country, rivers were the natural drains of surplus rain waters. There was little obstruction from man. Embankments were raised at places. But people took advantage of high-levelled lands to build their towns and hamlets centuries ago. There were few roads and those that existed had sufficient waterways. There was little obstruction to waterways and rivers flowed merrily to the sea. If floods there were, water subsided after a few days of floods.

With the advent of the British rule, not only rivers were forded, but almost all rivers and streams were banked, leading to the raising of river-beds above the surrounding lands. Modern civilisation has brought also a great hankering for roadways. (*The Honourable Mr. A. C. Chatterjee* : "Are you objecting to roads?") No, Sir. I do not object. I am showing you how floods come. India is interlaced to-day with roadways. Honourable Members who come from districts may testify to this hankering among district board and local board members to run roadways from their town to their villages. Sir, this process is going on every day and the topography of the country is intersected and interlaced into small areas, which are lakes in the rainy season and dry beds in the dry season. The irrigation works of the State, now provincial departments, added their quota to such impounding. Canal

embankments where they exist, go on obstructing natural drainage of waterways of India. Besides, they tap the water from a river from a certain point, thereby diverting the course of the old natural drainage—the rivers. Rivers have flow of water only during rains and this process has raised the beds of rivers still higher above the surrounding locality and river beds are now silted up with sand and mud.

Lastly, came the Railways with their embankment, sledge hammered lines, running mostly parallel to the many waterways in India. These Railways first came to exist under the guaranteed system. Their engineers had charters from the Secretary of State or the Government of India. Little did they pay attention to the occasional complaints of the Provincial Governments or to the comforts of the children of the soil. I can quote extracts here to show that such objections had been taken by different Provincial Governments. Some of these quotations are from the District Gazetteer of Rajshahi and Dinapur districts. Their Governments complained—it has been stated—that the floods had been due to the railway embankments of Bengal in those years. The great floods in Northern Bengal in 1922, floods in Bihar and in my own province, Orissa, in the same year, disastrous floods in South India, the Punjab, Rajputana and the United Provinces have again crystallised in men's mind that some inquiry must be made into the causes of floods. Dr. Meghnad Saha, that renowned mathematician of Bengal, instituted such an enquiry under the auspices of the Bengal Flood Relief Inquiry Committee and wrote a very precise article in the *Modern Review* of November 1922. He quoted eminent authorities, specially Dr. Bentley, the Director of Public Health of Bengal, confirming the views that railway embankments are a good deal responsible for flood disasters. After that, the Railway Board also appointed an inquiry committee and appointed Rai Bahadur Ralla Ram, retired Engineer in Chief of the Eastern Bengal Railway, to that Committee. That gentleman also submitted a report to the Government confirming similar views and recommending that certain waterways of railways should be expanded. Rai Bahadur Ralla Ram has also mentioned the very valuable report of Dr. Maghnad Saha and though stated that it was quoted in the appendix the Government publication department has expunged the same valuable report.

My own considered opinion on the subject is that the hand of man in erecting these embankments of railways and of canals and highways without taking into consideration the general waterways of the country is solely responsible for these ever-recurring floods, recurring disasters to millions of the teeming population of India. Epidemics, cholera, malaria come in the wake of the floods—they attack people when all their little hoard of grain has been washed away. People die like rats. Who is responsible for this great calamity, a permanently inflicted calamity on the people of India? I admit Government have made grants but what is the use of granting relief. Why not remove the causes of these floods? It was reported in the papers that in the other House there was an interesting speech made by the Member for Revenue and Agriculture in which he said that the Government of India are granting one crore of rupees to the Madras Government. The Honourable Member is reported to have stated that Government have a soul and are sympathetic. If the Government have a soul and have considered it necessary to make a grant, why should they not consider some means

by which the causes of these floods may be removed. What's the use of throwing crumbs of bread to the sufferers of the floods? What's the use of famine codes and famine funds? Remove the causes of floods.

Who is responsible for this great calamity, a permanently inflicted calamity on the people of India? Not the Railway alone—I absolve my Honourable friend Mr. Hindley from the complete charge, but all classes of engineers—the road engineer, the canal engineer and the railway engineer. Sir I myself am an engineer. It is no pleasure to me to accuse my own profession. Yet I maintain, the short sightedness and lack of foresight of my profession have brought the country to a land of famine, floods and epidemics. The Chief Commissioner of Railways will tell us what a great amount of money is spent on the maintenance and replacement of Railways in India per annum. He may, if he pleases, enlighten us and every member of districts knows what money is spent on replacement and repairs of roads and canals. What about the maintenance and repairs of nature's highways—the drainage outlet of nature's surplus water. You have too long interfered, blocked and obstructed such waterways. Has the State any waterway engineer to look after proper drainage? No. Canals and roads are provincial subjects. How can you co-ordinate their work? In the United States of America great engineering works have been undertaken and in some cases completed for preventing the ravages of floods. We have no department in the Government of India for such preventions and precautions. Yet the land revenue of India is about 40 crores of rupees. Nearly 90 per cent. of the people live on the land as agriculturists and labourers. No money is spent to maintain waterways which bring the Central and Provincial Governments crores of income and which is the source of maintenance of 300 millions of people.

Your Railways only bring in a nett revenue of 5 to 6 crores to the central exchequer. You spend crores on maintenance of railways, while you neglect maintenance of the waterways of India which bring you such a large income and is the source of maintenance of nearly 300 millions of agriculturist people of India. There is something wrong, very wrong. Let there be a committee to inquire into this. Let there be representatives of Railways, P. W. D., Irrigation, and the representatives of the agricultural classes in it. That is my submission. I hope the Government will recognise the mischief and neglect done to the people in not maintaining waterways and will accept my Resolution and take early steps to avoid famine, starvation and epidemics in India. I hope Government who pose as the *ma-bap* of the teeming millions will recognise this obligation to the teeming millions and will accept my Resolution without a murmur.

Mr. C. D. M. Hindley : I wish to say on behalf of Government, Sir, that the Resolution as placed on the paper is opposed not because Government have no sympathy with the objects of the mover of this Resolution. Government have the very greatest sympathy for the sufferers from these floods, regarding which we have heard so much during the last few weeks. I would like to say here, Sir, that I repudiate altogether the suggestion made by Mr. Bhubanananda Das that Members of the Government Benches here have no knowledge of the effects of floods on the country and on the people of India. Mr. Bhubanananda Das's picture of the Government sitting perenially on the heights of Simla, watching an occasional

trickle of stones down the sides of the hill and saying "I wonder how that has affected the people down below" is really rather ridiculous when it is applied to people like myself and other Members sitting on the Government Benches who have spent most of the working years of their lives among the people of India. I, Sir, have spent the best part of 25 years working on the plains of India and have never spent more than five or six days in any hill station until last year, and I do claim to speak with a certain amount of local knowledge—not only local knowledge but actual practical knowledge extending over a very large area in India, and I think extending over a considerably larger space both of time and of distance than the knowledge of Mr. Bhubanananda Das, my fellow engineer in this House. I am very glad to hear from Mr. Bhubanananda Das that he has studied the matter as an expert, but I can tell him that the engineer who has to build and maintain a railway embankment across country with difficult drainage problems gets to know intimately far more of the effects of embankments on the diversion of drainage than anyone can ascertain either by casual inspection of village fields or by reading text books.

I think, Sir, it is rather unfortunate that the Resolution is couched in such wide terms because there is apt to be considerable confusion of thought in dealing with such words as "floods". This description, this word "floods" is applied indiscriminately to cases varying from a small interference with agricultural operations which may extend to the loss or impairment of a crop on the one hand, and at the other end of the scale to such vast cataclysms as that which occurred recently in South India, both on the west coast and on the east coast, and the terrible floods that have occurred on the borders of the Indus. There is really very little connection between these two classes of floods and it is extraordinarily difficult to connect together the vast range of natural phenomena which occur between these two limits. Primarily speaking, these floods, whether large or small, whether the damage is very great or comparatively negligible, primarily speaking, these may be put down to excessive rainfall. Now, I know that that is an expression which is very often scoffed at because people say "But, what is excessive rainfall" and then we turn to the figures given to us by the Meteorological Department and see that the average has been so much, the maximum has been so much and the minimum has been so much. During the last year, and the rainfall in question is greater than anything which has been recorded by our Meteorological Department. Well, so far as our experience goes, such a rainfall is an excessive rainfall and it leads us, I think, to this, that, with the comparatively limited knowledge of the history of rainfall we have in different parts of the country, we are to some extent limited in the measures which can be taken to foresee and to prevent the effects of rainfall far above the maximum which has ever been recorded. Until human knowledge and the result of observations is extended a great deal further, I think it will be agreed everywhere that it will be impossible to foresee, even with the very best arrangements which can be made by the Meteorological Department the effects of excessive rainfall. I am presuming that the Honourable Member in moving the Resolution does not intend to refer to such an extension of scientific activity as would lead us in the early future to understand how to predict, say, the course of a cyclone in the Bay of Bengal. That may seem at first sight to be rather far-fetched in regard to this matter, but is an instance of one of the causes of serious floods. I should like just to refer, while speaking on this subject of excessive rainfall, to the disaster which occurred in the neighbourhood of Waltair and the southern districts

of Orissa last year. That disaster, Sir, due, as far as possibly be ascertained, to the course of a cyclone which started somewhere in the centre of the Bay of Bengal and could be followed up, by the observations of the Meteorological Department, until it crossed the coast somewhere near Waltair. Its direction at the time of crossing the coast was known and it could be predicted to some extent where it would travel. Instead, however, of travelling in a straight line after causing very severe damage at Waltair and Vizianagram, it proceeded in a slightly northerly direction and remained in the neighbourhood of the hills lying to the north-west of Vizianagram for a considerable period for 12 or 15 hours—and during that time it gave an enormous amount of rainfall in those hills. As far as I can remember, there was no actual record because there was no station which recorded that particular rainfall. There was therefore no actual record of the amount that fell, but judging from the amount of water which came down the rivers along the coast there, it must have been a most abnormal rainfall. Those rivers which lead from the hills to the sea across a fairly flat piece of country became flooded and in the course of a few hours the floods spread out over the banks of the rivers and the whole country was inundated on a front of something like 50 miles. The floods near the coast came in contact with the railway embankment. Now, Sir, looking at that picture of the hills in the background and the flat piece of country running down to the sea, looking at it on a proper scale, you can see that the railway embankment was a mere thread across the country and it had practically no effect at all upon the onward march of the flood. As a matter of fact, the railway embankment was almost destroyed for a distance of between 80 and 100 miles. I am giving that as an instance of the impossibility of being able to guard against or prevent floods which are quite obviously due to excessive rainfall.

Now, Sir, as Mr. Abul Kasem has pointed out, the effect of rainfall on localities depends very largely on the amount of rain which falls in what he called the catchment area. I gather what he meant was that there may be comparatively small rainfall at the place where you are living at the time, but owing to very excessive rainfall elsewhere, you may come in for the serious effects of flooding. Those members of this House, Sir, who come from the South of India will understand what I mean when I refer to the floods which recently occurred in the Tanjore district and round about Trichinopoly. The rain which caused those floods fell primarily in the Anamalai Hills, the Palni Hills and the hills lying to the west of the Presidency, somewhere between 150 to 200 miles away from the place where the damage occurred. I am mentioning this as one of the causes of floods and as illustrating the extraordinary difficulty of ascertaining accurately what the causes of floods are. Another instance which again brings me to Mr. Abul Kasem's mention of catchment areas would be the recent floods in the Muzaffargarh district in the Punjab, where I have read that the Indus rose to a height of something like 50 feet above its normal level. Now, where did that water come from? If Mr. Abul Kasem's contention is correct, the authority which controls the catchment area should take care that these floods do not occur by providing impounding works and seeing that the flood is properly regulated. I do not know, Sir, whether the authority which controls the sources of the Indus would be likely to meet the requirements of the case by coming to an amicable financial arrangement with this House with regard to the cost of such works.

Now, Sir, I have dealt with one of the many causes of floods, namely, excessive rainfall. There is another cause which I think Mr. Bhubanananda Das perhaps will understand, but I am rather doubtful if any other Members of this House will readily follow me as far as I should like to go. In the first place, there are known to be gradual changes in the beds of rivers from time to time and extending over very long periods for which so far we have very little definite scientific explanation. We know from observations that silting takes place and a gradual change of the course of the river takes place through obscure causes. A study of large scale survey maps from the earliest times down to the present day would give Mr. Bhubanananda Das a very interesting amount of information with regard to these changes. There are, for instance, marked on the survey maps such things as the old bed of the Ghaggar or Hakra in the south of the Punjab. Can any one readily explain why there should be an old deserted bed of a river running right across a stretch of country which but for the operations of the Irrigation Department would be an arid plain. This particular case has nothing to do with the advent of what is called the British rule in India! Such old river beds exist in various parts of the country and I am not sufficiently acquainted with geology to know their exact origin, but they indicate how the rivers as we now know them used to run in one period of their history and we cannot predict how they are going to move in the course of, say, 30 or 40 years. Every one who has lived near one of the larger rivers of India will know that there are cases where rivers have changed their course unexpectedly and with very serious losses to localities. I know one case myself in the Monghyr district where the Ganges as shown on the earliest maps available was something like 16 miles north of the point where it runs now. No railway embankment, no canal embankment, no road, not even the District Board road, is going to interfere with the course of the Ganges. The Ganges at that point in the monsoon is sometimes as much as 13 miles wide and of unknown depth and no human agency is going to interfere with it.

At that particular place I speak of it has changed its course during the last 70 or 80 years from a position 16 miles north of its present position to its present course. These great changes of the great waterways of India result possibly from changes beneath the surface of the earth and are things which no human agency can affect. In regard to silting up and changing of courses of rivers, of course as Mr. Bhubanananda Das will remember a very large amount of scientific work has been done to ascertain the causes of changes. As an illustration of one of these changes occurring which might quite easily have been considered by the local inhabitants to be due to the existence of a railway bank, I would like to mention a case where I had under my own charge a railway line running across an island between two branches of a very large river. Over the two branches of that river we had bridges of something like half a mile in length. It was a very large river indeed, dry most of the year but a raging torrent during the rains. The river bifurcated five miles above the railway and went down through these two bridges, the bridges being ample to carry all the water that came down year after year. In the centre of this island, there was a small flourishing village. One year for no reason that I could ascertain—Mr. Bhubanananda Das might possibly have ascertained it—the river took it into its head to run down the centre of this island. It washed away the village. It burst through the railway embankment between the two bridges and caused a very great deal of destruction to cultivated land. That is a case where

the people in the locality would undoubtedly consider that the railway embankment was much more to blame for their disaster than the hand of God.

Now, Sir, I wish to refer to one or two other natural causes of floods and these will interest Mr. Gaya Prasad Singh and those who come from the province of Bihar and Orissa and feel so acutely with regard to the shortcomings of the Bengal and North Western Railway. There are cases, and many cases, where there are what we call confluences of large rivers. There are the Gogra, the Kosi, the Gandak, and many others which run into the Ganges and form confluences, that is to say, the running together of two rivers. Now the piece of country between two rivers at a confluence is every year flooded. Whether there is a railway embankment or not, for generations that piece of country between two rivers must have been flooded. The flood is sometimes higher on one side and sometimes higher on the other depending on the amount of water coming down one river or the other river. One of the particular cases which Mr. Gaya Prasad Singh has most persistently questioned me about was the case of a railway embankment, a very high railway embankment, running along a watershed between two rivers forming a confluence. That, if I have made myself clear, will indicate the difficulties of dealing with a problem of the kind which he has referred to. He complains that the country is flooded on both sides of the embankment and sometimes more on one side than on the other. Now the country in that particular place would be flooded in any case. If the Ganges gets the better of the other river and spills over into the area of the other river and similarly if the Bur Gandak spills over towards the Ganges, that is to say, has to bring down more water than the Ganges is bringing down, then it will certainly spill over the intermediate country and cause floods. The railway embankment has been placed on the most suitable line between these two rivers and although there may be a difference of level between the water on one side and on the other, the presence of the embankment is generally to the benefit of some of the landholders for the water is held back to its natural area rather than allowed to flow across the country. Now Sir, we come to artificial causes. I have mentioned several of the natural causes which we are quite unable to control. I would now just refer briefly to artificial interferences. First of all, Sir, I think it is not generally recognized that agricultural operations themselves do interfere very largely with the flow of water across the country. Those Members of this House who come from rice-growing countries will know that interference with natural drainage is of the very essence of the most elementary forms of agriculture. The man who has to divert and direct the water into his rice field is interfering with natural drainage. He gets water where he can, and instead of leaving it to flow by its natural watercourse into the river and so sweetly on to the sea, as Mr. Bhubanananda Das desires, he stops it on the way and uses it for growing his rice. Incidentally he uses it for breeding mosquitoes.

And this brings me to Dr. Bentley. Now Dr. Bentley has written a good many pamphlets and propounded very emphatic views that railway embankments are the cause of poverty and distress and malaria in Bengal. I have never been able to understand on what lines of reasoning Dr. Bentley, who is a public health officer, not an engineer, has arrived at this conclusion. I can only imagine that his mind worked in the same kind of

logical way as it did when he propounded the theory which he considered to be a certainty that on the opening of the Panama Canal India was to be infected with yellow fever. He raised the battle cry in Bengal against the stegomya mosquito and the Government of Bengal was very nearly pushed into carrying out an enormously expensive campaign against this poor little insect, millions and millions of whom inhabit peacefully in the rice-floods of Bengal. The little stegomya mosquito, according to Dr. Bentley, if it once got infected by yellow fever brought by ships coming through the Panama Canal, would spread yellow fever all over India, and that, said Dr. Bentley, would be the end of British rule in India. I do not know whether my friends on the opposite side of the House have considered this as a possible course for their future activities. So much for Dr. Bentley. Agricultural operations interfere with drainage from the work of the agriculturist on his rice-field to the work carried out by the Punjab irrigation engineers, which interfere with the natural flow of the water down the five rivers of the Punjab, much to Mr. Das's sorrow because the water cannot go on flowing down to the sea. It is taken off in canals and used for irrigation purposes with fairly satisfactory results. That also is an interference with natural drainage. The other causes of interference with natural drainage we come to now are road embankments, canal works and my own particular subject, railway embankments. Now, Sir, I can well understand and have always understood with a good deal of sympathy the feeling that railway embankments do interfere to some extent with natural drainage. But I do think it is necessary for me to explain quite clearly that from the very earliest times of railway construction the very greatest care has been taken by construction engineers to secure that as far as possible natural drainage shall not be interfered with. It is assumed sometimes that the interests of railways and the interests of agriculturists are not the same. I would like to point out that they are very much the same. If a flood occurs which can damage fields and villages, it is also going to damage the railway. The greatest danger that a railway can have is a flood that may carry away an embankment or root up a bridge. Some of the most terrible accidents that have occurred have been due to this cause. Now the very greatest precautions therefore and the utmost scientific care is taken to see that adequate waterway is provided when a railway is constructed. I do not think that I need read the section, but it is the custom in this House to get an Act and read a section out of it. But I will content myself with saying that section 11 of the Railway Act makes it incumbent on a railway administration to make and maintain the necessary accommodation works for waterways and other public requirements. In connection with that, I would like to explain the actual procedure which is gone through when a new railway has to be constructed. At the time of the survey, the engineer who surveys the line has very strict instructions that as soon as he has decided on the waterways in the embankment which he is going to recommend, the whole of the scheme, the plans, sections and all his calculations, are to be submitted to the Local Government and the Local Government is asked to send any remarks it has to make to the Railway Board. The Railway Board, therefore, always has available the opinion of the Local Government, which no doubt consults its local officers, before deciding finally on the waterways which are to be allowed to be made in the railway. That, Sir, to my knowledge, is a live matter and a matter which Local Governments do not overlook; particularly in provinces where they have a highly developed

Public Works Department and have engineers who can study these projects. We in fact usually have a considerable amount of discussion and argument before finally settling in concert with the Local Government the amount of waterways to be provided.

I do not think it would be quite fair for me to take the House into the lengthy calculations which are gone through by an engineer when he has to construct a bridge in order to ascertain the amount of waterway to be allowed. Mr. Bhubanananda Das probably knows the formulae. We have laid down for many years past in our instructions to engineers making surveys the exact amount of detailed information which shall be obtained at the time of making the survey, in order that the calculations for the waterway shall be as accurate as possible. We have, therefore, the first stage when the engineer makes the survey and makes his calculations, the second stage when the Local Government and the local officers are consulted as to the amount of waterway required and we have a third stage as well. Before the line is actually opened for traffic the Senior Government Inspector satisfies himself and satisfies the Railway Board that the amount of waterways provided are sufficient for public safety. That, Sir, is the actual procedure which indicates that the matter is not haphazard and that the railways are not driven with a sledge hammer force, as I think an Honourable Member has suggested, across the face of the country without reference to natural drainage. I should like again to refer before I come to my last point to the Local Government's position in the matter. It is not correct to say that Local Governments have no redress and are unable to move the Government of India to effect improvements where improvements are indicated in the waterways. There have been many cases in recent years where Local Governments themselves have held inquiries as to the sufficiency of waterways in particular districts, and in such cases the Government of India have generally at the same time appointed either a Committee or a special officer to inquire into the matter and to submit a technical report on the particular case at issue. In fact, wherever a *prima facie* case of inadequate waterway is made by the Local Government to the Central Government, I may say that the Railway Board make local investigations at once by expert engineers. I would refer to certain cases of this kind probably within the memory of some Members of this House, to the investigation made by Sir Robert Gales in 1917 on floods at Manse-Pasraha on the Bengal and North Western Railway, to the Committee which was appointed by the Government of India in 1921 on the flood damages near Amroha and to the investigation made by Rai Bahadur Ralla Ram on the Northern Bengal floods in 1922. That, I think, Sir, meets the point which Mr. Bhubanananda Das made when he indicated that no action can be taken by the Local Governments to induce the Central Government to look into these matters.

Now, Sir, I come to my last point. My friends who have moved and supported this Resolution will want me to say, if we do not agree to appoint a Committee, what steps we propose to take. My view and the view of the Government is that where cases occur and where there is a local feeling that a railway embankment or a road embankment or any other work designed by the hand of man are interfering with natural drainage causing damage to land and danger to the lives of the people, then it is the business of the Local Governments primarily to take up the investigation. This is a very large subject if it is looked at from the point of view of the whole of India. It is a very large and very important and very

serious subject. But it is primarily the duty of the Local Governments to look after the rights and property of the people. And it is the Local Governments who should institute an investigation in the first instance. It is not a matter in which we wish to throw the responsibility on to somebody else. Under the constitution it is one of the functions of the Local Governments and it is their duty and it is a duty which they would not wish to evade. Now, with regard to our connection with this matter, that is to say, where railway embankments affect drainage, we are perfectly willing at any time to assist Local Governments in their inquiries by lending them special officers and engineers and by appointing a committee. We are perfectly willing to investigate any case which is brought to our notice by the Local Governments, and there I think the duty of the Central Government as regards investigation really ends. The duty of investigation and examination lies first with the Local Governments and only secondarily with us. We are perfectly willing by means of our expert officers to assist in arriving at proper decisions as to any alterations that may be necessary. I gathered from some remarks which fell from the Honourable Members who spoke in favour of this Resolution, that they expected to have very serious opposition from the Government in regard to this Resolution. I do not however in the least object to this matter having been brought forward. In fact, I very much welcome the opportunity that it has given to the Members of this House to let us know what they think about the subject and also the opportunity it has given to me of letting those Members know what I think about it. It has been a useful discussion. I hope my friend who moved this Resolution will agree with me that I have to some extent established the case for the care with which the Government and the Railways deal with these matters when they are brought to their notice. I would like to suggest that the matter be left with us for the present and we will look into it generally to see whether it is necessary to address Local Governments, with an invitation that we should assist them in any particular case in which they may be concerned. I am perfectly willing to do that and suggest that if those gentlemen who have moved and supported this Resolution have sufficient confidence in me to leave the matter where it is, they might perhaps withdraw their Resolution.

The Honourable Mr. A. C. Chatterjee (Industries Member) : Sir, I do not happen to be an engineer like the Honourable Mr. Hindley or the Honourable Mr. Das, but unfortunately for the House I am at the present moment in charge of Irrigation and Roads and Buildings so far as the Central Government's functions extend in those directions. The debate has been an exceedingly useful one, and personally speaking I am very glad indeed that a subject of this description has engaged the attention of this House.

As the Honourable Mr. Hindley has already stated, Government are in great sympathy with the object of the Resolution. He has also explained that it is not much use appointing one committee to go into the causation of floods all over the country. I do not think a committee of that nature will terminate its labours for the next 25 years and in the meantime a great many floods will occur and will remain unremedied. Mr. Hindley has given the assurance that the matter will engage the attention of Government. I would add this much, that we shall communicate with Local Governments. After all, as Mr. Hindley has pointed out, it is the

Local Governments who are primarily interested in the matter, and unless they make the first move it is very difficult for the Government of India to find out where floods have actually occurred, and where special investigations are necessary. We do not disclaim responsibility for any damage that may have been occasioned by railway embankments. If we suggest that the Local Governments should first move in the matter, it is not in order to disclaim responsibility on the part of the Government of India in cases where the damage has been occasioned by railways. My Honourable friend Mr. Ramachandra Rao has admitted that so far as irrigation is concerned it is the concern of Local Governments. I may in passing mention with reference to what fell from Mr. Amarnath Dutt and Mr. Abul Kasem that the Damodar and the Ajai projects in Bengal had been initiated by the Government of Bengal and not by the Government of India, and it was the Bengal Government which abandoned those projects and not the Government of India. The remedy of both Mr. Abul Kasem and Mr. Amarnath Dutt is in the Bengal Legislative Council and not here. Mr. Ramachandra Rao seemed to suggest that the people who built the railways in the early days did not really take much interest in the welfare of the country through which the railways passed. I do not think that that is a very fair assumption because after all the railways live on the prosperity of the country, apart from the fact that if there is a heavy flood and the railways are breached the railways themselves sustain very heavy pecuniary loss. I do not wish to detain the House. I think we have given enough assurances to satisfy the House that the matter is receiving the attention of the Government and will continue to engage the attention of the Central Government in consultation with Provincial Governments. In view of these assurances, I hope that after this very useful discussion the motion will be withdrawn.

Mr. Bhubanananda Das : Sir, I am glad that the debate on the Government side was led by such an eminent engineer like the Honourable Mr. Hindley. I wish Mr. Hindley had not been so very partial to his own subject of railways and had not forgotten other artificial causes of floods like the canals and roadways. I wish also that his observations had not been so much blurred by political considerations. However, I am glad to have the assurance given by my Honourable friend Mr. Chatterjee, that the Government will investigate into the causes of floods. I maintain that such investigations as this inquiry must be undertaken by the Central Government and not by the Provincial Governments. I desire co-ordination of work between all the Provincial Governments and the Central Government. Provincial Governments generally are henpecked by the Central Government and the Central Government's engineers (*The Honourable Sir Basil Blackett :* "What about the provincial contributions?") pass over the Provincial Government engineers; so naturally the Government engineers in the Provinces and the Provincial Governments cannot look after the welfare of the agricultural population unless the Central Government, who look after the interests of the whole of India, institute such an inquiry—whether by a departmental committee or by an outside committee matters little. However, I am glad of the assurances given by the two Honourable Members on the Government side and I hope they will keep this subject in view and not let it drop. With these remarks I beg leave to withdraw my Resolution.

The Resolution was, by leave of the Assembly withdrawn.

17th September, 1924.

RESOLUTION *RE* SEPARATION OF RAILWAY FINANCE FROM GENERAL FINANCE.

Mr. President : The Assembly will now resume the debate on the Resolution moved by the Honourable Sir Charles Innes on the 3rd March 1924 :

“ This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable the railways to carry out a continuous railway policy based on the necessity of making a definite return over a period of years to the State on the capital expended on railways :

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on railway earnings.
- (2) The contribution shall be a sum equal to five-sixths of 1 per cent. on the capital at charge of the railways (excluding capital contributed by Companies and Indian States and capital expenditure on strategic railways) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that if any year railway revenues are insufficient to provide the percentage of five-sixths of 1 per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

From the contribution so fixed will be deducted the loss in working, and the interest on capital expenditure on strategic lines.

- (3) Any surplus profits that exist after payment of these charges shall be available for the railway administration to be utilised in :

(a) forming reserves for :

(i) equalising dividends, that is to say, for securing the payment of the percentage contribution to the general revenues in lean years,

(ii) depreciation,

(iii) writing down and writing off capital :

(b) the improvement of services rendered to the public,

(c) the reduction of rates.

- (4) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (5) In accordance with present practice the figures of gross receipts and expenditure of railways will be included in the Budget Statement. The proposed expenditure will, as at present, be placed before the Legislative Assembly in the form of a demand for grants and on a separate day or days among the days allotted for the discussion of the demands for grants the Member in charge of Railways will make a general statement on railway accounts and working. Any reductions in the demand for grants for railways resulting from the vote of the Legislative Assembly will not enure to general revenues, *i.e.*, will not have the effect of increasing the fixed contribution for the year.
- (6) The Railway Department will place the estimates of railway expenditure before the Central Advisory Council on some date prior to the date for the discussion of the demand for grants for railways.”

The House will observe that that Resolution stands in the name of the Honourable Sir Charles Innes, the Commerce Member, and that he also has an amended Resolution on the paper. I have to inform him and the House that someone else will have to move the Resolution standing as an amendment in his name on the paper.

The Honourable Sir Henry Moncrieff Smith (Secretary, Legislative Department) : Sir, I beg to move the amendment :

“ That for the original Resolutions the following be substituted, namely :

* This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation thereof of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues, on the money expended by the State on railways :

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.
- (2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.
- The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.
- (3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve ; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.
- (4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues : to provide, if necessary, for arrears of depreciation and for writing down and writing off capital : and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.
- (5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (6) A Standing Finance Committee for Railways shall be constituted consisting of two nominated official members of the Legislative Assembly one of whom should be Chairman, and ten members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than two further nominated official members, five non-official members selected from a panel of eight elected by the Council of State from their body and five non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimates of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways.

- (7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget in order that more time may be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the detail it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.

- (8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years."

The Honourable Sir Charles Innes (Commerce Member) : Sir,* the House will remember that when I placed this subject before them in March last they decided to refer it for examination by a committee. That committee submitted a preliminary report a few days later. The report was to the effect that while they were in favour of the principle of separation they had not been able within the time allowed to satisfy themselves fully as to the effect of the proposals on the control of the Assembly over Railway finance and policy and as to the amount and form of the contribution to be paid by Railways to general revenues. Consequently, they asked that a discussion of the subject might be postponed till this Session. Since then, Sir, we have laboured much both in sub-committee and in the main committee and our final report has, I think, been in the hands of Honourable Members for the last few days. I regret very much that it was not a unanimous report in all respects, and I regret it the more because it is likely to make my task to-day somewhat harder. But, Sir, this matter is a matter of vital importance to Railways. The Resolution represents the considered policy of the Government of India, and it is clear that we can accept a decision in this matter only from the Assembly itself. You will all agree, I think, that it is only right that Government should submit to this Assembly a reasoned statement of the reasons why they think that the House ought to adopt that policy. The House will know from the amended Resolution just moved by Sir Henry Moncrieff Smith that we have made some changes in the form of the original Resolution. There are one or two changes of substance notably as regards the amount of the contribution and also in regard to the constitution of the Central Advisory Council, but we have redrafted the Resolution generally in order that we might clear away certain misconceptions to which our original Resolution undoubtedly gave rise and in order that we may bring out the intentions of Government more clearly. Now, Sir, I am quite sure that I shall have the sympathy of the House in the task which lies before me to-day. I have done my best to lighten my labours by circulating a large amount of literature on this subject, and may I say this? Whatever view the House may take of the merits of my Resolution, I am quite sure that they will agree with me that we are all under an obligation to Mr. Parsons, the Financial Commissioner, for these memoranda which he has circulated. But, Sir, in spite of all this literature it must be admitted that this question of the separation of railway finance from

general finance is a very technical and a very difficult one and I have no doubt that many Honourable Members in this House are not very clear in their minds what we want to do or why we want to do it. I will therefore endeavour to explain my proposals in the simplest possible language, but I hope that the House will accept the speech I am going to make to-day as a supplement to the memoranda which we have circulated to the House and which explain our proposals in greater detail. And may I begin, Sir, by saying just a word or two about Indian Railways? As everybody knows in this House, most of our Railways are mainly owned by the State. They are managed, some by the State and some by companies, and in the aggregate they constitute the most gigantic commercial undertaking in India. Let me give the House a few statistics. Taking our commercial lines alone, the capital charge at the end of March last amounted to 541 crores. In the current year we are budgeting for gross receipts exceeding 97 crores of rupees and for working expenses exceeding 66 crores of rupees. Last year we carried in our railways nearly 600 million passengers and more than 90 million tons of goods. I give those figures in order that I may bring home to the House what enormous part our Railways play in the life and in the commerce and industry of India, and that I may also bring home to the House how supremely important it is that our system of financing this enormous undertaking should be suited to its needs. May I also just make a passing reference to the nature of our railway property? As everybody knows, it consists of thousands and thousands of miles of railway lines, innumerable stations, huge bridges, big goods yards and an immense quantity of rolling stock. The point I want to bring out is that in railway work we must look ahead. We must take long views. If we do not, then we merely lay up for ourselves trouble and additional expense in the future. Let me give an instance. Everybody has heard of bottleneck stations. I am afraid there are stations of that kind in India, though I hope that we are reducing their number. What does the expression mean? It means a station where the traffic has outgrown the capacity, where railway traffic cannot be handled adequately or expeditiously or with real efficiency, and a station of that kind not merely causes loss and delay to traders in the vicinity, but it reacts, and this is the point I want to bring home, on the efficiency of the whole of the line. Now, Sir, a remodelling scheme for a station takes many years to put through. In fact I think I am correct in saying that I had a project put up to me the other day for remodelling one of our stations which it was estimated would take 13 years to complete and I hope the House will realise that when we embark on a project of that kind we must see our finance ahead of us throughout the years through which it will be necessary to carry out the project. If we do not, if we merely have to depend on such money as can be spared to us year by year, then the result is inevitable. Haphazard finance and stations which have outgrown their capacity, one of those bottle-neck stations which hamper the efficiency of our railways throughout India. No remedy is possible—this is the view we take—for a state of things like this as long as your railway finance is dependent upon your general finance. I think I may claim that that was the main burden of the financial recommendations of the Acworth Committee's Report. Let me give just one almost staccato phrase or rather paragraph taken from that report. They say :

“We do not believe that it is possible to fit railway management into the rigid framework of the existing financial system of the Government of India. We do not

think that Indian railways can be modernised, improved and enlarged so as to give to India the service of which it is in crying need at the moment, nor that railways can yield to the Indian public the financial return which they are entitled to expect from so valuable a property, until the whole financial methods are radically reformed. The essence of reform is contained in two things ; first, the complete separation of the railway budget from the general budget of the country and its reconstruction, which will free a great commercial business from the trammels of a system which assumes that the concern goes out of business on each 31st of March and recommences *de novo* on the 1st of April. And secondly, the money spent in railway management should be free from the control of the Finance Department."

May I say, Sir, that throughout its Report the Acworth Committee spoke of the Finance Department not with any idea of criticising that Department but as a convenient way of expressing its disapproval of a faulty system. As I have said, Sir, the passage I have quoted represents the main burden of the Acworth Committee's Report on the financial side. They attached so much importance to it that even that half of the Committee which recommended the adoption of a policy of State management considered that the adoption of this policy of separation should be a condition precedent to the adoption of the policy of State management. Let me read the passage :

"Our recommendation as to State management must therefore be read as coupled with and conditional on the adoption at least substantially and in main outline of the recommendations which we have made with respect to the financial and administrative reforms."

Since the Acworth Committee's Report was received I am glad to say that we have made one important advance, and we have made that advance with the co-operation of this House. This House has been good enough to secure to us the funds for the capital portion of our rehabilitation programme. But, Sir, experience has shown that it is not enough, as the Acworth Committee say, and it is a commonplace in every commercial undertaking capital expenditure and revenue expenditure are constantly intermixed. The defect in the present system is that, though we have secured to us the capital portion of our rehabilitation programme, we have no similar security in regard to the revenue portion of it. That is to say we are not yet in that position which the Acworth Committee predicated as necessary for the proper running of the Railways. They said that it was absolutely necessary to treat Railways :

"as a continuously going concern with a carefully thought out programme both of revenue and of capital expenditure for years ahead with provisional financial arrangements to correspond."

As I have said, the existing system fails because we have not got that security in regard to the revenue portion of the programme. That is our first and our main objection to the present system of railway finance. Let me develop further objections. A convenient term for the revenue portion of our rehabilitation programme is "programme revenue expenditure". That is the term we use. That expenditure is not voted till March, and it is voted in March for the year beginning on the 1st April next. This delay in giving us our financial grants is one reason why we usually find difficulty in spending fully the grants for programme revenue expenditure which we get. Now, what happens ? The unexpended balances of these grants go into our surplus. They represent money which is ear-marked for the purpose of keeping our railway property in proper order. Nevertheless, they go into the surplus. They are merged in general revenues ; no part comes back to the railways. Indeed under the present system it is quite impossible to

make provision for arrears of renewals or arrears of depreciation. We had a committee on the question of depreciation which examined the whole subject about a year and a half ago. That Committee found that the arrears of our renewals which had accrued during the war when our surpluses were taken by general revenues for their own purposes amounted to no less than 18½ crores of rupees, and that figure was accepted by the Retrenchment Committee. In these proposals which I am now putting before you we make no claim on general revenues for that money, but I think that the House will see that a system which allows arrears to pile up in that way without making any provision for them must be a faulty system. The system again fails psychologically. We who are responsible for the running of railways are not given any inducement to economise. If by taking thought we effect economies, the benefit of those economies goes entirely to general revenues ; nothing comes to us. Again, under the present system there are no railway reserves. Imagine a great commercial concern without reserves ! It is particularly embarrassing to Railways, for, as every one knows, the prosperity of the Railways depends upon the state of the season and the state of trade. Again, the present system is inconvenient to the Finance Department. It leads to violent fluctuations in the returns from Railways, and those fluctuations are necessarily most embarrassing to any one who has to make the budget.

Now, Sir, perhaps I may summarise very briefly the objects which we have in view in submitting this reform for adoption by this House. In the first place, as far as State railways are concerned, we want to abolish altogether this system of programme revenue voted for a year. We want to establish a proper depreciation fund, a depreciation fund arranged in a scientific and intelligible manner. Secondly, we want to build up railway reserves. We want to build them up in order that our finances may be more elastic, in order that we may have provision to equalise dividends. And generally, we want to introduce a system of finance which, while maintaining unimpaired the control of this House and while ensuring to general revenues a fair return from their railway property, will be more suited to the needs of a vast commercial undertaking. Finally, and most important of all, we want to establish a principle. It is right and proper that the tax-payer, the State, should get a fair and stable return from the money it has spent on its Railways ; but if you go further, if you take from the Railways more than that fair return, then you are indulging in a concealed way in one of the most vicious forms of taxation, namely, a tax on transportation. One of the objects we have most at heart in putting these proposals before this House is to establish that principle.

These then are the reasons why we are asking the House to accept this reform which was insistently pressed by the Asworth Committee, namely, the reform of separating your railway from your general finance. We considered the possibility of legislating in the matter, but we decided that it would be preferable to proceed in the manner suggested in the Resolution ; that is, we decided that it would be preferable to ask this House to agree to a convention. There are some advantages in a convention which can be adjusted from time to time to varying needs and difficulties. It can even be adjusted to the ordered progress of the constitution. It was always our intention, whatever the arrangements we might come to with the House,

that those arrangements should be subject to periodical revision ; and the House will see that on the recommendation of the Committee we have definitely provided for this in the last clause of the amended Resolution. The operative part of the Resolution, at any rate in the aspect from which I am dealing with the question at present, is contained in the first five paragraphs.

I will now take up the question of the form and amount of the contribution. As regards the form, I do not think that I need say very much since the Committee was unanimous on that point. We propose that the contribution should be based on the capital at charge on commercial lines and that in addition general revenues should get a share of the surplus profits. That means that whatever new capital we put into this concern, you will always get from railway revenues not only the ordinary interest charges on that capital but one per cent. in addition. I think the House will agree that that is an onerous obligation on Railways, for when we put new capital into new lines, it is years before we get a return from it ; but let me pass on to the amount of the contribution. Our original proposal was that the contribution should be based on five-sixths of one per cent. on the capital at charge on commercial lines *plus* one-fifth of the surplus profits. We have had considerable argument about this point in the Committee, and as the House will see from the amended Resolution moved by Sir Henry Moncrieff Smith, we have decided to accept the Committee's proposal, namely, that the amount of the contribution should be raised to one per cent. on the capital at charge *plus* one-fifth of the surplus profits and, in addition, we have also agreed to the condition in clause (3) of the Resolution that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees, only two-thirds of the excess over the three crores should be transferred to the railway reserve, the remaining one-third accruing to general revenues. Before I go further into the question of the amount, I should just like to make one point clear. Our proposal is that the contribution should be based on the actuals of the penultimate year ; the reason for that is that the Finance Department may be in no doubt whatever as to the exact amount they are going to get, but in respect of the current year, if our proposals are accepted, we propose to vary that condition. We propose to base the contribution in the current year on the actuals of last year, and the reason for that is that it would not be fair to my Honourable friend on my right to base the contribution on the actuals of 1922-23. That happened to be a bad year and it was also a year in which we had not yet succeeded in getting the full benefit of the Incheape cuts. As a preliminary, a provisional arrangement, in the first year we propose to base the contributions on the actuals of last year. Now if the proposals in the amended Resolution are accepted, it means that in the current year we shall pay to general revenues a gross contribution of nearly 639 lakhs of rupees. But from that you have got to deduct the loss on the working of strategic lines and the interest on the capital on strategic lines, and so the net contribution in the current year will be Rs. 5,19,19,000 ; that is to say, the effect of our accepting the proposal of the Committee is that we shall pay Rs. 73 lakhs more than we contemplated when we made our original suggestion. A contribution of five-sixths of one per cent. of the capital at charge *plus* one-fifth of the surplus profits would have yielded us in the current year 446 lakhs. We are now

raising that contribution to 519 lakhs. Now the first point of course that the House will want to be satisfied on is this—they will want to know whether the contribution of that amount is enough. The first point I have to make in regard to this is, I should like the House to realize. that any figure we may take for the contribution must be more or less an arbitrary figure, and the main point I think which the House ought to bear in mind is this, that the more you take from the Railways, the longer you postpone the day when we can reduce rates and fares, and the longer you maintain rates and fares at a high level. I should also like to make it perfectly clear, with reference to an amendment of which I see notice has been given, that in addition to this gross contribution of 639 lakhs we expect to pay in the current year interest charges amounting to nearly 24 crores. That is to say, in all we shall pay in the current year something like Rs. 30½ crores, those 30½ crores being made up partly of our interest charges and partly of the dividend which we pay to the general taxpayer. Again, if the House will turn to the statement on page 9 of the memorandum circulated by Mr. Parsons, they will find that in the current year our earnings; according to our budget estimates will be 5.43 per cent. of the capital at charge. I have brought that point out because I think that answers the criticisms of those who think that the introduction of this reform should be postponed until the railways come to a more normal working. I am sure the House will realize and will agree that when we get a return of 5½ per cent. on our property we reach the standard of revenue which we should reasonably expect from it.

The next point I wish to bring out is that the House has got to remember that we have to pay this one per cent. on all our capital at charge on commercial lines. I have just referred to the fact that it takes some years before we get a return upon new capital, especially new capital sunk in new lines. Further, we undertake to pay the dividend year by year and we take the risk of the season. When the season is good and trade is good, our earnings go up; when the season is bad and trade is bad, our earnings go down. But whatever the state of the season, whatever the state of trade, we undertake to pay this dividend year by year. We have to take that consideration into account in deciding whether the dividend is sufficient or not. It seems to me therefore that the real question is, not whether general revenues are getting enough but whether they are not taking from the Railways too much. And I should like to explain the reasons why we have agreed to this enhanced contribution. There is only one reason, and that is this. We expect this year to be a good year, and I hope the House will follow me carefully here for I do not want them to accuse me in March next of having tried to mislead them into accepting these proposals by concealing our hopes in regard to the current year. We have only got four months' actuals to go upon, and it is too early to prophesy with absolute confidence, but so far, we have undoubtedly done well, and Mr. Parsons hopes that at the end of this year we may be a net two crores better than our Budget estimates. Of course we may do better, still, but it would be unsafe to count on that. But if Mr. Parsons hopes are realized, it means that we shall not only be able to pay to general revenues this net contribution of 519 lakhs but we also hope to put into the railway reserve something like Rs. 2½ crores. And it is only because we hope

to begin next year, with this 2½ crores of rupees, in our reserve, that we can agree to this contribution. I should like to emphasise again the point I made before that the main point that the House should look to in deciding this question is not whether or not this contribution is enough or too much, but that if you take too big a contribution you only succeed in maintaining rates and fares at too high a level.

I should just like to refer very briefly now to two points. One is the depreciation fund. We want altogether to abolish this system of Programme Revenue in so far as the State lines are concerned. We want to replace it by a properly arranged depreciation fund. At the suggestion of the Central Advisory Council about 18 months ago, we appointed a Committee to inquire into the whole of this question. We were not able to accept all their recommendations, but that Committee did furnish us with very valuable information regarding the life of our different classes of wasting assets. As a result of their report, we hope to be able to establish this fund and we hope to be able to pay into this fund a yearly contribution based, as I have said, upon intelligible and scientific calculations; and as a result of that, we hope that we shall have in the Fund eventually enough to replace the cost of each class of wasting asset when that asset is worn out; and if we can do that, then we shall be able to carry out another important reform suggested to us by the Incheape Committee, namely, the reallocation between Capital and Revenue so as to relieve, temporarily at any rate, the charge upon Revenue. We cannot do that at present with Company Railways, because it would not be in our interest to relieve Revenue Charges of Company Railways too much. But I should like to emphasise the point that if we establish this Fund, everything that goes into the Fund and everything that comes out of the Fund will be subject to the vote of this Assembly, and I may say the same will be the case with the railway reserves. It will require a vote of the Assembly to pass money into the reserve and also requires a vote of the Assembly to pass money out of the reserve. The value of these reserves to us will be not only that they will serve as equalisation of dividend fund, but that they will also enable us to make up for arrears of depreciation, and finally—and this is one of the most important benefits we hope to get from this fund—it will enable us to adopt a bolder Railway policy. It will enable us to take our courage in both hands and to reduce rates and fares.

Now, Sir, I pass on to a question which I know is exercising the minds of some Honourable Members very much, namely, the question whether these proposals of ours will effect the control which the Assembly now exercises over our finances, and of course through its control over our finances, the Assembly influences our policy. Mr. Parsons has circulated a very long memorandum upon that subject, and I hope that that memorandum has satisfied everybody in this House that the effect of these proposals will not be to impair the control of the Assembly over the Railway budget. Of course if the Assembly accepts these proposals, they will not have so much inducement to make big cuts in our budget, for the effect of these cuts will not be to benefit general revenues. They will merely go into the railway reservers. That I admit, but at the same time, the House will realise that those cuts will be very embarrassing, just as embarrassing as they

are now, to the Government of India. Supposing for example, although I hope it will not happen, that the Assembly decides to cut down the provision for the Railway Board establishment. Well, if they do that, that money will go into the railway reserve, but we shall not be able to pay those establishments, unless the Governor General in Council decides to restore that grant, that is to say, we shall be placed in precisely the same awkward predicament that we are placed in now.

Then, again, Sir, it has been suggested to me that it would be dangerous for the Assembly to agree to these proposals, because if they did, they would be admitting the principle that the Railways are a commercial department, and that, when in the future they press upon us any particular question in which they are very interested, such as Indianisation, or something of the kind, they will be always open to the retort. "You declared the Railway Department to be a commercial department, you have laid upon us the obligation to pay a heavy contribution every year and we cannot do what you want consistently with efficiency and economy." I have tried my very best to state as fairly as I can the argument as it was stated to me. On it the first point I would like to mention is that you will not be any the worse off than you are now in that particular matter. Secondly, I would like to bring out the following facts. The Railway Board have been working at the separation for the last 15 months. All our activities in the Railway Board have been orientated with reference to this day, the day when we hope to get separation. Now, Sir, in spite of that fact we have not raised any objection to various measures which I know this House took great interest in. We did not ask for a lower contribution on account of the Act which removed the exemption of Government Stores from import duty. We did not ask for any lower contribution on account of the Steel Protection Act, in spite of the fact that these two Acts will increase our Revenue charges in the Railway Department by 40 lakhs per annum. May I remark parenthetically that if this separation proposal goes through, those 40 lakhs per annum are a real gain to the tax-payer; if the separation proposal does not go through, there will be no gain to the tax-payer at all. It will merely be transferring from one pocket to another. Let me point out certain considerations on the other side. In the first place, we are perfectly convinced, on these benches at any rate, that these proposals point out the true direction in which this Assembly can enforce economy and efficiency in our Railway maintenance. Secondly, I hold that the proposals will have the effect of increasing, rather than impairing, the control of this Assembly. If the proposal were accepted, we shall no longer be debarred from putting up the Railway budget in advance of the Honourable Finance Member's speech. We hope that we may be able to put up the Railway budget, say in February and to allow longer time for the discussion than is possible at present. We may be able to go even further and put the Railway budget up to this House in September, but that involves an amendment of the Government of India Act, and it is a matter for the future. Again, we have undertaken to examine the form of our budget, examine the number of votes into which it is divided and to see whether we can improve generally the way in which we put our budget before you, in order that you may exercise your control better.

Again, we have agreed to the reconstitution of the Central Advisory Council on a very popular basis. We have agreed to the institution of a Standing Railway Finance Committee, and I think that what I have said in that respect will show that we do not fear your control ; indeed we welcome it. I do hope the House will realise that nothing is further from our thoughts in putting these proposals before the House than that we should impair in any way the control of this House. That was never our intention. Our intention was merely to put up to the House an administrative and financial form to which we attach the greatest importance. We are convinced that unless this House adopts that reform, we shall never be able to manage our Railways as efficiently and economically as they should be managed.

Now, Sir, I have laid all my cards on the table both here and in these Committees. I claim that we have concealed absolutely nothing from the Members of this House. There is no catch of any sort or kind in these proposals. We have been working at them for the last 15 months, because we are satisfied that these proposals will lead to what is best for Indian Railways, and that means for Indian trade, Indian Commerce and the Indian tax-payer. May I wind up by an appeal to this House. May I express the hope that this House will take these proposals in the spirit in which we offer them, that they will consider them purely on their merits and that they will co-operate with us. We may be bureaucrats, but the House must realise that we are just as keen on the interests of India as anybody in this House. And we have put up these proposals because we are satisfied that they are in the real interests of India.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Sir, I rise to move the following amendment to the amended Resolution now before the House :

“ Add the following as an additional clause to the amended Resolution :

‘ Clause 9. The above proposals be given effect to provided the Government agree to the following :

- (a) That no Railway Line now under State management and no Railway Line now managed by a Company whose contract may hereafter expire should be handed over to Company management without the previous approval of the Legislative Assembly ;
- (b) That the railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible ’.”

Before I begin my remarks on this amendment, I think the whole House will agree with me if I say that the Honourable the Commerce Member has treated the House to one of those clear and fluent speeches which he is generally accustomed to deliver in this House, whenever he moves an important subject—speeches which show the great grasp and his usual broad view that the Honourable Member takes in handling questions of such importance as this. I wish, Sir, also to make it clear that I move this amendment on behalf of the Nationalist Party in the Assembly. The Honourable the Commerce Member observed in the preliminary observations that the matter that he has now put before the House is one of vital importance to the Railways of India. He further gave figures to the House showing what a great machine the Railways of India were to handle and what an important asset it is to the tax-payer of India. These, Sir, are exactly the grounds why I wish to put before the House certain

subjects which have been fully discussed both in the sub-committee and in the committee appointed by the House and which should be brought to the notice of this House in a prominent manner in the form of an amendment. I need hardly say that this House, as representing the taxpayers of India who have put in crores and crores of rupees either directly or indirectly for the Railways of India, is very jealous that the people and the tax-payer should now begin to get the fullest advantage out of their investment. And it is with this aim that this House may wish to assert its right in regard to having a substantial say in connection with any change in the Railway policy that may be followed by the Government of India.

The Honourable Commerce Member referred to the number of statements put up by Mr. Parsons before the Committee and which are now circulated to the Assembly, and generally speaking to the great ability with which Mr. Parsons served all the requirements of the members of the Committee. I wish to join in that expression of appreciation as a non-official Member connected with this question both in the sub-committee and committee stages. I do not think the Honourable Commerce Member will misunderstand me if I say that working on the sub-committee and committee on these occasions, a non-official member like me was greatly impressed by the great zeal and energy and readiness with which Government officials from the Chief Commissioner of Railways downwards worked in order to prepare this subject for the Assembly at this stage. I do not think I will be misunderstood when I say that many non-official members would like the same zeal to be shown by Government officials in other similarly important subjects which may be hanging fire before the Assembly. But I would like, Sir, just to strike a discordant note here and point out to the Honourable Commerce Member one particular subject in which I am afraid the members of the sub-committee and committee did not get the information that they sought. There is no doubt that this subject of separation of the two budgets is an important subject. Indeed the Government of India themselves have taken the best part of three years to make up their minds about it. The subject was before the Assembly in December 1921 when they had a special meeting of their committee in Calcutta and the matter was put off for further consideration and fuller examination. The subject therefore must have needed considerable correspondence and exchange of despatches between the Secretary of State and the Government of India as regards, firstly, whether the Secretary of State was prepared to give this additional power to the Government of India or to this Assembly, and, secondly, as to the details of the powers which he is prepared to give up on agreeing to the separation of budgets. I understood at the sub-committee meeting that the Government of India were not prepared to take the committee into their confidence as far as these despatches were concerned.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : What is the additional power ?

Sir Purshotamdas Thakurdas : The power of devolution from the Secretary of State to the Government of India, about which you heard a question just before I commenced my remarks.

I do not know whether in such an important subject like this, when the Government of India claim that they put all their cards on the table,

there was anything in the constitution which prevented them from taking the members of the committee into their confidence by letting them see copies of the despatches between the Government of India and the Secretary of State. I dare say there may be nothing by which we may benefit by a perusal of these despatches ; but at the same time I mention this particularly because the Honourable Commerce Member claimed it as his usual practice that he had put his cards on the table. The fact of his inability to put the despatches between the Government of India and the Secretary of State at the disposal of this House has undoubtedly led to some sort of justifiable suspicion by the members of the committee as to why these despatches were being withheld.

Sir, there are five minutes of dissent in the Committee's Report. I propose to deal with the last minute, the one which particularly refers to the three conditions mentioned in para. 6 of the Committee's Report. With your permission, Sir, I hope the House will allow me to deal first with condition No. 2 mentioned in para. 6 of the Committee's Report, that no railways should be handed over to a private company without the prior approval of the Legislative Assembly. I think this is the one condition named by the dissenting members on the Committee, which really has given rise to certain apprehensions in the mind of the Government of India. I would like, Sir, to put before the House, as fully and as impartially as I can, the reasons why this House should insist that when they agree to the separation of the budgets, and that within certain limits the railway revenue may be handled by officers appointed by the Government of India, it is only right that they should at the same time make sure that whilst devising this very necessary method of putting State management on an unassailable basis none of their property shall be taken out of State management and transferred to Company management without the express approval of this House.

To begin with, Sir, the Honourable Commerce Member himself moved an amendment in the Assembly on the 27th February 1923, when the Assembly decided upon State management of Indian railways, without any qualification. He pressed and indeed took the House to a division on the following. He said that he thought that

“ efforts should be continued to concert measures with the object of handing over one or other of the two railways (i.e., the East Indian Railway and the Great Indian Peninsula Railway) after such grouping as may be necessary to an indigenous company calculated to give India the benefits of real Company management.”

An amendment to this effect was moved by the Honourable Member himself and was lost in the House. Later on, in the Administration Report of Indian Railways for 1922-23 it is stated that Government propose to continue these efforts to take over these railways eventually on the basis of real Company management. Subsequent to this, as the House knows now, because it has been repeated *ad nauseam*, Diwan Bahadur Ramachandra Rao moved a Resolution saying that whenever there was a contract to be made by the Government for the working of State railways, the contract should be placed on the table of the House before being finally confirmed. That Resolution, although passed without a division, has been rejected by the Government of India. All this may, I think, very reasonably be taken to deepen the apprehensions of many of the Members of this Assembly. The Government may, above the heads of the Assembly and indeed without their knowledge, enter into a contract either themselves, or the Secretary of State may do it, to have either the

East Indian Railway or the Great Indian Peninsula Railway, or any of the railways in India, managed by a company. The minority section of the Aeworth Committee in their Report submitted two schemes of Company management. The Railway Board circularising various commercial bodies in India and the Provincial Governments in their letter put forward two more schemes of Company management. In spite of all these the Assembly came to a decision in favour of State management. In spite of all this we hear constantly from Government that they are in search of a species of management of certain railways which can be said to be "*real*" Company management. Is it unreasonable for this House, when they agree to an important reform of the nature of separation of the budgets and of the nature indicated, that certain revenues of the Railways shall be handled by the executive officers of the Railway Department without any right to this House unless they broke the convention to touch those monies. I wonder, when such reforms are under consideration, if it is wrong for this House to say to the Government that, whilst they devise a better and sure method for successful handling of State management of railways, Government shall also give an undertaking that they will not use the power which they claim they have of handing over any of the railways of India to Company management at their discretion.

The Honourable Sir Charles Innes : May I correct a statement made by the Honourable Member. The Honourable Member has just stated that the House is asked to agree now that certain revenues of the Government of India shall be managed by certain officials of the railways. I am afraid the Honourable Member has not understood what I have said. I presume he is referring to the depreciation fund and the reserve fund, and I thought I made it perfectly clear that any money which comes into such funds must be voted by this House, and that this House's vote will be required to any money which is expended from either fund. The position will not be different from what it is already.

Sir Purshotamdas Thakurdas : I have no doubt I have understood the position absolutely clearly indeed my working on the two Committees would be useless if I had not correctly understood the whole scheme. I really do not remember if I expressed myself clearly, but I will make myself clear. This House to-day refuses, if it passes this proposal, to separate the two budgets, to take anything from the railway budget, even if the use that they may make of that money will be to let it remain in the reserve fund ; to that extent the House is making a self-denial. I do not know if the Honourable the Commerce Member will agree with me there ; is that all right ?

The Honourable Sir Charles Innes : No.

Sir Purshotamdas Thakurdas : May I ask the Commerce Member then what happens in case there is a separation of the budgets this House makes a cut of 50 lakhs of rupees at budget time ; are you going to hand it over to the Finance Department ?

The Honourable Sir Charles Innes : As I said, that money will pass into the reserve fund. What the Honourable Member said was that these revenues will be managed by Government officials. What I am trying to point out is that no expenditure can be made from that reserve fund without the vote of this House.

Sir Purshotamdas Thakurdas : I thought I said to the Honourable Member, when he objected first, that I wanted to make myself quite clear.

Will the Honourable Member say what he thinks about what I said subsequently? I will tackle this point that the Honourable Member has raised. Supposing there is a deficit of a crore and a half of rupees in the budget of the country, and supposing the Executive Government put before this House suggestions for additional taxation which this House do not wish to accept. This House wish to make up for the deficit by cuts here and cuts there. The Railway Department as one of the biggest departments of the Government of India must come in for their share, and supposing they want to make a cut of 50 lakhs of rupees there, they may make the cut, but the amount will not go to the Finance Member. That is the point I had in my mind. I know that the separation of the budgets is mainly intended for this purpose, namely, that we shall take from the Railways only an agreed amount and leave the rest to the Railways, to be used in various directions, as indicated by the Honourable the Commerce Member. The fact however remains that the Assembly do say to-day, as representing the tax-payer, that in order that this commercial machine may be well conducted, steadily conducted from year to year, we will forego this advantage which we got till now. I do not think that can be denied. I therefore feel that, when we are coming to an arrangement like this, it is only fair and reasonable that the House should say to the Executive Government that we wish that, whilst we agree to this administrative reform, so important as it is, you agree in your turn that you will allow us full opportunity of giving the Railways a full trial in State management and will not hand over the Railways without our consent to what is called Company management, even if you could discover a "real" Company-management system. That, Sir, is the main ground on which there was substantial difference in this Committee. I feel that whilst I am a very strong advocate of this administrative reform, whilst I should be extremely sorry if the Government of India insisted upon their inability, as they put it, to give this undertaking which I think is the just due of this Assembly as representing the tax-payer of India, if this reform had to be postponed, nobody would be more sorry than myself; in fact I am one of those who signed the Acworth Committee's Report, and who also has said, what the Honourable the Commerce Member has read from the majority report of that Committee, that we make this recommendation for State management with the caveat that the finances hereafter would be provided in a more correct manner. But the Acworth Committee only took cognisance of what it was appointed to examine. The main question is, there is this power, and as I have shown by the various incidents I have referred to, beginning with the Honourable the Commerce Member's motion when he moved that amendment in the Assembly two years back, there appears to be something lurking in the background, and it is quite possible when there is something in the nature of what the Executive Government think is real Company management, one of the railways of India may be handed over for such real Company management. If the Government of India have nothing to hide, nothing to conceal from this Assembly, nothing to be afraid of, may I ask why they should distrust this Assembly to such an extent that they will not come to this Assembly and say, "Here we have this substantial scheme, we would like you to consider it?" Do they really think this Assembly is incapable of appreciating the advantages of real Company management and agreeing to it, that they should refuse to agree to this very simple convention, a convention which by the way I feel should not be difficult

for them to agree to if they really mean not to go past what has now been suggested.

Sir, there is one further subject that I would like to remind the House of. My Honourable friends from Madras will remember the year 1910, when the South Indian Railway, in spite of the great grievances of the Madras public against the management of that Railway, was handed over, or to be more accurate, the contract regarding which was renewed with that same Company, not only over the heads of the Government of Madras, but over the heads of the Government of India. I remember it very clearly being mentioned to the Acworth Committee by many witnesses in Madras that it was only when a Reuter's telegram came out here, that the Government of Madras wired to the Government of India, only to learn that the Government of India had also learnt of that contract having been renewed by the Secretary of State after all the formalities were put through. I am sure, Sir, we do not want any repetition of this to happen again.

I will come, Sir, now to a question which may be put to me, namely, if the Secretary of State and the Government of India enjoy the powers of entering into these contracts without consulting the Assembly, what are you going to gain by insisting upon it at this stage? I wish, Sir, that the House will bear with me when I try to reply to this question which I am anticipating, because I am sure some Honourable Member or other is bound to put it to me, not by a reply, but by asking another question. Let us consider what we are likely to lose in case Government absolutely refuse to agree to this administrative reform on the ground that they do not see their way to give the undertaking we require. The Honourable the Commerce Member has sufficiently emphasised here the grave manner in which the Acworth Committee pressed that the financial India have been trying to make up for their past lapses. Rs. 150 crores have been sanctioned by this Assembly for capital funds, the immediate rehabilitation and betterment of existing lines. That 150 crores. I understand, is to be spent within five years beginning with 1922, if I mistake not. I do not think I am incorrect in saying that the Railway Department are not able to spend at the rate of 30 crores a year and there is no question of their needing more than that 150 crores until the year 1926-1927. So much for the immediate rehabilitation and betterment of existing lines. The next question that remains is repairs and renewals from the revenues. Now, Sir, there also I expect that with the experience which the public of India and this Assembly has had till now of what happened, owing to the lapse during the war period by the then Government of India and the then Finance Member, it is hardly likely that there is going to be a repetition of the same neglect over again. I still maintain and I repeat that I would like this administrative reform to come into force immediately but I feel that whilst this administrative reform is agreed to by this Assembly and while this Assembly agrees to forego what I have just indicated in the course of a few questions and answers with my friend opposite, it is only due to this Assembly that the Executive Government should give the assurance which is indicated in condition 2 of clause 6 of the report. I wish, Sir, just to point out that the Honourable the Commerce Member himself admitted that the separation of budgets is to apply only to State-managed railways and not to Company-managed railways. As far as the Company-managed railways are concerned, their

budgets and their relations to the Government of India are to continue as they have continued heretofore. I remember a few figures which were asked for and which were given as approximate figures. Of the total gross revenue of 96 crores of rupees from the Railways of India, about 24 crores was given as the gross revenue from State lines at present managed by the State. When the East Indian Railway and the Great Indian Peninsula Railway are transferred to State management by next June, this figure of 24 crores is likely to go up to anything between 60 and 70 crores, out of a gross revenue of 96 crores for all India. I really wonder, when we have so many other Company-managed lines at present which we cannot touch, and the last line will not fall due till 1950, whether this Assembly can be said to be greedy if it wants additional power, in the shape of a substantial say regarding who shall or shall not manage the Railways of India hereafter.

Mr. President : I must ask the Honourable Member now to bring his remarks to a close.

Sir Purshotamdas Thakurdas : Conditions Nos. 1 and 3 of paragraph 6 of the report deal with the question that Indians should be fairly represented on the Railway Board and that the Indian railway services should be rapidly Indianised. I shall very briefly indicate the reasons why the dissenting members thought it necessary to refer to these two ambitions of the Indian public. It is true, Sir, that the Railways of India are very valuable and very important commercial enterprises but the public of India wish to look upon the Railways of India also as national assets and they agree to the commercial management of these Railways only as far as is compatible with their national aspirations and with their national advancement. It is no good saying that these Railways must be managed in a cheeseparing spirit of economy, so that whatever may happen to the ambition of Indians either in the matter of Indianisation or in due encouragement by purchase of stores from India in order that the industries of India may be built up, this Assembly could agree to commercialisation or to the commercial management of Indian Railways. That is a fundamental difference between some influential sections in the country and the Indian public and I think it is right that that difference should be substantially brought to the surface and should be emphasised at this particular juncture in order that there may be no misunderstanding hereafter whenever the Assembly ask for more Indianisation or more powers of purchase of local stores by the Railways of India. The Honourable the Commerce Member referred to this demand, and if I did not omit to hear some part of his remarks, I am afraid his reply in connection with this struck me as being rather disappointing and halting. It is certainly a fact that consistent demands have been made by the Indian public for years now in these directions. They feel that they have a right to and ought to have a greater hand in the management of the Indian Railways. It may be quite true that it will take a little time to train them up but this question must be agreed to without the least hesitation or shadow of a doubt that whatever the case, whether you separate the budgets or not, the Assembly will be justified year in and year out in pressing that there should be more and swifter Indianisation of the railway services in India and that the Indian Railways must encourage, of course within due and reasonable bounds, and must make it their goal, the purchase of stores in India in order that India may build up her industries. I feel, Sir, that a good deal of stress is always laid down

on occasions like this on "efficiency." I know that this is being brought up every time whenever there is a question of any commercial department or indeed any department of the Government of India having to take up more Indians. I would only here repeat what Lord Lytton said "we do not employ natives more largely because they are not well qualified and they are not well qualified because we do not employ them enough." This is the vicious circle in which India has moved with immense patience for the last 50 years, and as far as the Railways are concerned for the last 75 years. India's patience is at an end and whether we have the separation of budgets or not, let it be understood without any doubt hereafter that Indians expect the Railways of India, which are the property of the tax-payer in India, to be worked commercially side by side, and, as far as that may be compatible, with their being the most important and national asset of India. I move my amendment.

The Honourable Sir Basil Blackett : Sir, the amendment which has been moved by the Honourable Sir Purshotamdas Thakurdas takes the form of an additional clause, but it is an additional clause which is also a conditional clause. The clause takes the form of saying that while the recommendations in the Government's Resolution regarding the separation of railway finance from general finance should be carried out, they should be carried out only if the Government accept certain additional recommendations ; that is to say, if the Government are unable to agree to carry out those additional recommendations, the proposal for the separation of railway finance from general finance falls to the ground—a proposal which in the view of the Government and in the view of the Honourable Member who moved this amendment is a very desirable administrative reform. But the greater part of the speech of Sir Purshotamdas Thakurdas was extraneous to the subject of separation of railway finance. He touched on that subject once at any rate when he said that he was a very strong advocate of this administrative reform, and yet he moves an amendment which has no direct connection with separation ; and the inability of the Government to accept which may result in the complete loss of this desirable administrative reform. I am very sorry that the issue has become thus clouded. This is an administrative reform to which I attach very great importance. I believe that it will effect a direct economy in the management of the Railways and that it will greatly assist in the stabilization of the general Budget. Sir Purshotamdas Thakurdas stated quite rightly that the reform is one which has been under consideration for nearly three years since the date of the Acworth Committee's Report. At the same time I would remind the House that the previous Assembly considered this matter and decided to adjourn it for a year and a half. It has already therefore been once postponed because of its difficulties by the Assembly. I may claim, Sir, that I have had a certain share in bringing this Resolution forward to the stage which it has reached at the present moment. It is one of the reforms in the financial system of India which attracted my attention from the very first ; it is one to which I have given a great deal of time and a great deal of trouble. Mr. Hindley as the business manager of the Railways has from the very first co-operated most enthusiastically with the proposal, and if it had not been for his support, it would not have reached the position that it has reached to-day. But at the same time it is essentially not a railway proposal any more than it is a financial proposal. At the risk of repeating what has already been said, I would like very briefly to go over the arguments for separation and set the position before the House in

the form in which I see it. I begin from the principle that the taxation of communications is bad taxation. It is taxation which falls both on the producer and on the consumer. It raises prices for the consumer and reduces prices for the producer and it decreases the volume both of internal and of external trade. In the initial stages of railway development in a country such as India there are many arguments for paying more attention to the development of communications than to making the Railways pay, and that was the line that was taken by the Government of India in the earlier days of the Railways in India. But by general consent that stage has passed away, and we are all I think at one in the view that the Railways must pay their way. The Railways have the benefit of Government credit, and in so far as they are not Company-managed they do not pay income-tax. There is therefore sound reason for asking Railways to pay something over and above their expenses and their interest. But I think such a contribution should be a small one. And it should as far as possible be regular so that the Budget figures from year to year may not be disturbed by serious fluctuations due to temporary causes and the temporary causes may not prevent the railway authorities from pursuing a definite and deliberate policy. If the receipts in a particular year are less owing to special causes than had been expected, the general Budget should not have to fill up the gap, possibly by extra taxation, possibly by curtailing desirable expenditure in some other direction. If the receipts are larger, the general Budget should not be tempted to reduce other taxation, for example to give up some part of the Provincial contributions owing to some temporary excess receipts. Such reduction of taxation, such reduction of Provincial contributions, should be made out of a definite and recurring surplus of available income, not out of a temporary windfall. On the other hand, Railways cannot, even if it were desirable, increase rates and fares suddenly because the income of a particular year is less than they had reason to believe owing to temporary causes. Nor can they reduce them suddenly just because there is an exceptional and non-recurring increase. Nor is it desirable that Railways should have their expenditure curtailed owing to temporary causes due to the general position of the Budget unless there are very exceptional circumstances. What is wanted is some approximation in India to what has been recently introduced in England, a standard railway revenue. The Railways should pay a regular but limited contribution to the State over and above their working expenses and interest. If they earn more, the surplus ought not to disappear in the general budget, but it ought to be credited to what I call in the first instance the Dividend Equalisation Fund, so that if in the next year receipts fall short, Railways might still be able to pay their contribution, and if receipts in the next year are again in excess of the contribution, that is a sign not that the Railways should pay an additional sum to the tax-payer, but that the time has come for reducing rates and fares. The Dividend Equalisation Fund then becomes a fund which enables the Railways to make good the temporary loss of revenue which invariably follows on a reduction of fares and rates. There is always a period during which the traffic is not increased to the extent required as the result of the reduction of rates to make up the loss in revenue. A reserve is also needed to meet the cost of any extra facilities or to enable the Railways to carry through a regular programme of renewals and extension. It is the absence of any such arrangement that has led to money being taken by general revenues during the war from Railway receipts and credited finally to

general revenues. A good part of the money so taken did not represent any real surplus of earnings, but represented a depreciation of assets. It was impossible to obtain the materials required for renewals and repairs and maintenance and the lines, rolling stock, etc., were depreciating and could not be kept up to the mark, not because the money was not there, but because the materials for repair could not be obtained. Yet, the result of course was that there was a surplus of receipts over the actual expenditure and that went to general revenues. The state was really living on the depreciation of its assets. Such a condition of affairs is not only objectionable in that you do not know what you are really earning, but it disheartens the Railway authorities and is the last means to secure that they will work their undertaking economically. They will obviously spend their money on anything they can get at, rather than surrender it to the Finance Member. Let me sum up. The purposes of Railway separation are a stabilised budget, a stabilised railway revenue, the securing to the Railways of a real incentive to economise and to work on commercial lines, and the provision of the right conditions for maintenance of continuity in Railway policy and enabling rates and fares to be reduced the moment the opportunity arises and facilities to be increased without cost to the tax-payer.

Now, in considering these proposals the House has rightly concentrated on two questions, the question of the amount of the contribution and the question of the control of the Assembly. The amount of the contribution is a question on which more than one view can reasonably be held. It would be possible to ask for a larger contribution than I am being made to ask for now. I confess my own preference for the rather smaller contribution that the Government originally proposed. But I am now quite ready to support the Resolution as moved to-day. But the view I would put quite shortly is that the question of the contribution is simply this. If you ask for more, the probability of an early reduction of rates and fares is postponed ; if you ask for less that probability is increased and the moment at which it is likely to arrive is hastened. That is really the only question that is left open in that matter. The question of the Assembly's control is much more difficult. It was an essential part of the Government's proposals that the opportunities for discussion both by the Railway Finance Committee and by the Assembly should be increased and the methods for exercising the control should be improved. I have no doubt whatever that the technical control under the Government of India Act will be greatly improved by the Government proposals. But the Assembly expressed doubts as to the indirect results and I now come to Sir Purshotamdas' amendment. He made the point that one of the results of agreeing to separation would be that in the event of a deficit, the Assembly by convention were giving up their effective power to meet the deficit by a demand on the Railways. That, Sir, is perfectly true. The Assembly are being asked—and the Government are proposing themselves, the Finance Department is proposing—that the Assembly and the Government should lay down the proposition that taxation of communications is bad taxation, that in the event of additional taxation being required, which God forbid, that that should be imposed by some more desirable method than that of taxing the Railways. We are asking the Assembly to agree to a convention that it will not in normal circumstances—obviously one cannot legislate for abnormal circumstances—that it will not in normal circumstances try to meet a deficit by taxing communications, by interfering with

its Railway property. The question of Indianisation, the question of State management and the question of Stores—no not the question of Stores—are directly raised by this amendment. The first point that I would like to make about this amendment is that it has strictly nothing whatever to do with the question of separation—strictly—that is to say that as things stand, Government have theoretically the right to say that they will have no Indians in the Railways. They have theoretically the right to say that they will buy stores always in the cheapest market without any reference to the question of purchase in India. They have the right to decide without reference to the Assembly that they will create a Railway Company to take over a State-managed line ; they have that right now. If the Assembly refuses separation, the Government will still have that right. If the Assembly agrees to separation, the Government will still have that right. None of these questions are directly raised by the question of separation. They are all germane to Railways ; that is all they have in common. Now, let me take these three questions. As regards Indianisation, the Government have already announced that they propose to accept the recommendations of the Lee Commission which propose to Indianise to the extent of 75 per cent. the Railway Engineering service. I do not think the Assembly have any reason to complain against the Government in the matter of the pace of Indianisation of the Railway staff. The Government are moving at the pace that they think is conducive to the best result for Indianisation itself. There is no conflict of opinion between the House and the Assembly as to the desirability of Indianisation.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : Will Government agree not to transfer State-managed railways to Companies without the consent of the Assembly ?

The Honourable Sir Basil Blackett : The Honourable Member is again trying to mix up two subjects. I am always asking the House—I really do appeal to them—to try and deal with one subject at a time on its merits. It is just one of our difficulties that when we raise one subject, we always get off to another. I will now pass to the question of Stores management. The Government and the House are, I believe, at one in that matter. We have agreed with the House and it is merely a question of getting the change made. There is no conflict of opinion between the House on that matter. So far as part (b) of this amendment goes—that the Railway services should be rapidly Indianised and further that Indians should be appointed as Members of the Railway Board as early as possible—there is no kind of difference of opinion between the Government and the House.

I now come to the question of State management. The Government are asked to give an undertaking that no Railway line now managed by the State and no line now managed by a Company whose contract may hereafter expire, should be handed over to Company management without the previous approval of the Legislative Assembly. Now, I may tell the House quite frankly, this is entirely an unreal issue. The Government are not willing—and I do not think any Government ought to be willing—to give an undertaking in the form that is asked for. I may also tell the House quite frankly that it is not in the power of the Government of India to do it, that is to say, so far as the undertaking is concerned. But what are the facts ? The Government have already stated that they have

no proposal under their consideration at the present moment for the establishment of a Company to manage a State line. But Government have agreed with the House that, if at any time a Company is to be formed to manage State Railways, one railway or more railways, grouped or otherwise, that Company must be a real Indian Company with Indian capital. The Government are further willing, if ever a proposal for establishing an Indian Company with rupee capital is put forward to take over an existing line, to bring that matter before the Railway Advisory Council. They are perfectly willing that, if the Railway Advisory Council or any member of it so desire, an opportunity shall be given for that matter to be brought before the House. That is—and I say this quite frankly—as far as it is in the power of the Government of India to go. We therefore have reached this position. There is no real issue between us and the House on this matter that has anything to do with railway separation or the management of the Railways. I cannot conceive of any circumstances in which an Indian Railway Company with Indian capital would be willing to take over a State-managed line contrary to the wishes of the Assembly. The controversy is not a real one. If the House desires to make it a condition of separation that the Government should give an undertaking of this sort, then I have to say it frankly that we cannot do it. But, if the House really wants separation, then I do ask the House to consider whether they are really gaining anything by failing to get separation because they cannot get from us an undertaking which we cannot give. What is to be gained by postponement? The plan is one which the Government are convinced is of great value to the Indian tax-payer and to the Indian users of railways. It is one which I gather, generally speaking, the Assembly is convinced is a desirable reform on its merits. I think it was only two days ago that the Honourable Pandit Motilal Nehru stated that administrative reforms were equally important with constitutional reforms. That is a doctrine which I particularly commend to this House, because, I believe, that the way to advance quickly on constitutional reforms is to pay a good deal of attention to administrative advance. The Assembly agree, I gather, that in itself this is a desirable administrative reform. But they ask that some additional promise should be given by the Government—an additional promise which is not connected with the separation question in this sense that before and after separation the Government are in exactly the same position in regard to the matters about which they are asked to give a promise. They are asked—I do not want to put it unfairly—but they are asked to make a bargain. If the Assembly agree to a thing (they say) that the Government desire, why should the Government not agree to something that the Assembly desire? But why do the Government desire this? Because it is an administrative reform which the Government and the Assembly are agreed is a good one. Now, any Parliament can obstruct any Government. No constitutional system can work if there is obstruction. If any constructive efforts are to be made during this period of transition in the matter of administrative reform, they must be made in nearly every case by co-operation between the Assembly and the Government. If the Assembly is unwilling to assist in improving administration during the transition period, then the Government are forced into the position of just carrying on. They can only carry on. They cannot introduce any new constructive improvement worth speaking of. They have to carry on on old methods which may or may not be the best and which in many cases are not the best simply because, though they may have been suited to the

period before there was an Assembly, they are not suited to the period now that the Government have to bring a considerable portion of their policy and a considerable portion of their finance before the Assembly for criticism and for approval. We quite realise the importance that the House attaches to these particular reforms that are mentioned in the amendment. I have said that the Government are entirely in sympathy with the Assembly on the questions in regard to the Indianisation. As to the question with regard to Company management, there is no real issue between us at all, except the absolute inability of the Government to comply with the wish of the House. Now, supposing we do not get this administrative reform, which is what, I am afraid, must result if this particular amendment is pressed in this particular form, who suffers? The taxpayer suffers, the user of the Railway suffers, the Assembly suffers and the Government suffer. The tax-payer suffers because he is in danger of continuing to be taxed by means of communications and because his railways are costing him rather more than is necessary. The railway user, which means practically the whole of India, suffers because an administrative reform which is desirable cannot be introduced. The Assembly suffers because these changes in the form that is proposed by the Government do offer them opportunities of very much more effective control over railway finance and over railway policy owing to the improvements in the administrative machinery which are proposed to be introduced under these reforms. And the Government suffer because it is not they who are, on the whole, the final arbiters in this matter. They cannot under the present constitutional system give the undertaking that is asked for. They are thrown back, if the Assembly press this amendment in the form in which it is proposed, on a simple *non possumus*, which is not in their power to alter. Their position as a Government is weakened because it is shown clearly that, so far as administrative reforms are concerned, the effect of the Government of India Act is to take away from them their power to do anything except to carry on under their present powers and to do that which they regard as in the interests of India as a whole. On this occasion, the Assembly agrees with them that this reform is in the interests of India as a whole.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Will the Honourable Member kindly explain why it is not in the power of Government to offer the assurance which the amendments ask for ?

The Honourable Sir Basil Blackett : I think the Honourable Pandit must realise that this really raises large constitutional issues. In the present transitional constitutional stage an undertaking of this sort is an undertaking which I do not think any Secretary of State, Labour or otherwise, would agree to be given. It is one which he could not give.

Pandit Madan Mohan Malaviya : Have you asked the Secretary of State for it ?

The Honourable Sir Basil Blackett : The Secretary of State and the Government of India are unfortunately not in a position to agree to this, and so long as the present transitional constitutional position lasts, that must be the position ; so that with the very best will in the world the Government are quite unable to go further than they have gone. I do appeal strongly to the House in this matter. Very little change will be

required in the form of the amendment. It is only necessary that the form should be recommendative instead of conditional. If that change is made see what happens. The Assembly and the Government get the separation of railway finance from general finance, which they desire. The Assembly have taken an opportunity, and a very good opportunity, for pressing earnestly on the attention of the Government and of the Secretary of State their desire that particular recommendations should be carried into effect. If the amendment remains conditional, what happens? I am afraid, so far as I can see, that separation of railway finance from general finance is not carried through, and the Assembly have not gained much in the matter of pressing this recommendation on

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the attention of the Government. I do appeal to this House to consider carefully whether it cannot either omit this amendment altogether or, at any rate, modify its form.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, my Honourable friend, Sir Charles Innes, has been complimented on the very clear statement with which he opened his case this morning. I will now compliment him on another quality of his, and that is the promptness with which he adjusts himself to the atmosphere of the particular Chamber he is addressing for the time being.

While in this House my Honourable friend has tried to convince us that by accepting his proposals the Assembly will relax no authority which it possesses at present over the railway administration; in fact everything that the Assembly can do under the present constitution to regulate the policy of the Railways will remain intact. Just less than a week ago, while he was addressing the other House—the Council of Elder Statesmen—he observed as follows:

“The dangers he saw in State management were the dangers that would inevitably arise as India became more and more democratised, and as the popular Assembly exercised more and more influence and control over the management of railways. It was no use saying that in India the popular Assembly would not attempt to exercise that control, for it was common experience that in all democratic countries the popular Assembly has interfered with the railway management, and it was also common experience that in all these democratic countries pure State management has been a failure. In view of this experience the modern tendency in democratic countries was to guard against those dangers by separating off the railway finance from the general finance and as far as possible getting their railways away from the interference of the popular Assembly.”

I trust that we can flatter ourselves as being the popular Assembly in India, and here is set out the object of the separation of finances by the Honourable Sir Charles Innes when he explained his case before the other House.

Then he goes on to discuss the various alternative schemes which Government considered with reference to the future of State management; and later on he proceeds to observe as follows:

“In view of the dangers already referred to (by him) they were not anxious to bolt the door against Company management in India (so that even now they are thinking of it), but they would not be able to carry out their arrangements because they would not take over the East Indian Railway till the 1st January and the Great Indian Peninsula Railway till the 1st July next.

Regarding the separation of railway finance from general finance the Government had put forward two schemes, and if their proposals were accepted, many of the objections raised heretofore to State management would be removed altogether.”

But I did not hear a single word this morning from my Honourable friend which would indicate that this was one of the objects he had in mind. On the other hand, he tried to convince us that the Assembly would lose not a title of power over the Railways.

Now, Sir, it is no wonder that, in view of such statements made by responsible Members of Government, there should be some misapprehension in the minds of people. I am aware of the feeling in the minds of some of our friends that once the Assembly commits itself to this position, it may lead in course of time to the Railways being altogether removed from the vote of this House and treated as a non-voted item just as the Army is. There is another apprehension also that as we are about to create a State within a State, the railways may hereafter claim somewhat of the status of what are now known as the Indian States—I will not say Native States—, and as in our own experience we have seen the President of the Railway Board blossom forth into Chief Commissioner of Railways, there may be a time when we will have His Haughty Highness Mr. Hindley, Rajadhiraj of the Independent States of Indian Railways, who will refuse to answer our supplementary questions.

I would at once say that I do not share these apprehensions, and I will not deny that the present scheme has many attractions about it. I will also admit that the system of separation prevails in almost every other country where there is State management ; for instance in Prussia, Switzerland, Italy, South Africa, Japan and Canada. And I believe the latest State to adopt it has been Austria. But, Sir, in those countries the Legislatures have a real power of control over the Railways, just as over every other administrative department. Have we any such power yet ? Why is it then that my Honourable friend is anxious to force upon us this piece of reform, which, I am perfectly willing to admit, might fit in with the next instalment of constitutional reforms, when we are likely to have some sort of responsibility in the Central Government. Why not wait till that date ?

Now, Sir, my Honourable friend admitted that, so far as the capital portion of the rehabilitation programme was concerned, the Assembly stands committed to a programme of 150 crores, to be spent in five years, so that he has no ground of complaint as regard the capital expenditure for the Railways. That I believe is admitted by him. His complaint, so far as I could understand it, was that there was no similar security with regard to the revenue programme. Well, I do not know whether my Honourable friend has considered the possibility of getting this House committed to a scheme of revenue programme for five, or as many years as he likes, in a similar way as he got this House to commit itself to a capital programme for five years. I do not suppose there is any difficulty about that—

The Honourable Sir Basil Blackett: This is the scheme.

Mr. K. C. Neogy: I do not suppose that that constitutes the entire scheme.

The Honourable Sir Basil Blackett: Very nearly.

Mr. K. C. Neogy: Now Sir, I was rather surprised to hear him say that when in any particular year there are any unexpended balances in the Railway Department, they swell the surplus and are merged in the

general revenues and that no part of it comes back to the Railways. Technically he may be correct in this statement, but Sir I dare say he has read paragraph 34 of the Mackay Committee's Report, where they pointed out that there is a good deal of misconception with regard to this so-called lapse system. I will not trouble the House with the details of their observations, but I will just read out one sentence where they say :

"The greater the lapses for a particular year, the more is the Government able to allot for the next."

I do not suppose, in the face of this observation, there is any real force in the argument advanced by my Honourable friend on this particular head. Then Sir, I was very much surprised to hear him say that if we are to adopt this particular scheme, the general revenues would gain to the extent of Rs. 40 lakhs a year, which is the railway share of the extra tax on the steel imports, due to the Steel Protection Act. I really wonder how this extra amount comes to be contributed to the general exchequer. Would it at all matter if we had no separation at all? (*The Honourable Sir Basil Blackett* : "I should pay.") I should like to argue that point with the Honourable Member. Does it drop from the sky? It is simply taking out money from one pocket and putting it into another; that is how I understand the scheme.

The Honourable Sir Basil Blackett : Perhaps I may be allowed to explain to the Honourable Member as he does not seem to be able to understand it. Before separation, the position is that the whole of the railway receipts come to general revenues. If they are reduced by 40 lakhs as the result of the Steel Bill and so on, the amount the general tax-payer gets out of the Railways is reduced by 40 lakhs. After separation the amount of the contribution is fixed, and if the House chooses to double the steel protection, the amount of the contribution is not reduced; the general tax-payer gets the same amount out of the Railways and the amount is taken out of the railway reserves.

Mr. K. C. Neogy : I am not concerned as to what particular amount the railways pay, but if we have no separation, that 40 lakhs will continue to be credited to the Customs side of revenue; what is the difference?

The Honourable Sir Basil Blackett : I get it twice over, once in and once out.

Mr. K. C. Neogy : I do not understand that. Where does the additional amount come from? Now, Sir, I do not want to oppose this scheme as a whole. As I began by saying, this scheme has undoubted attractions about it, and I do not therefore propose to proceed with these observations any further.

I will now turn to one aspect of the present amendment, and that is with regard to the Indianisation. Sir William Acworth, I find, has written a letter to the press very lately expressing his strong approval of the scheme of separation, and his regret at the report that this Assembly was about to reject it. Poor Sir William Acworth! Perhaps he does not know how things have been getting on in this country since he left India. I find that in his Report, presented to the Commissioner General for Austria of the League of Nations, on the question of the reconstruction of Austrian State railways, he refers to his work on the Railway Committee in India and he observes as follows, page 14:

"In India the railways almost all belong to the State, but the bulk of the lines have always been worked by private companies. A Committee over which I had the

honour to preside reported two years ago that the existing company management should not be allowed to continue, and the Indian Parliament has now resolved that as each of the existing lines' leases terminate, the companies' lines shall then be taken over for direct management by the State."

He is evidently labouring under a misapprehension, and evidently he thinks that the proposition which I had the honour to move in the winter of 1923 was accepted by the Government—

The Honourable Sir Basil Blackett : As I told the Honourable Member, it is not a real issue.

Mr. K. C. Neogy : Even this proposition was opposed by the Government, and all that they would agree to was to take over the management of the East Indian and the Great Indian Peninsula Railway. They would not agree to this proposition which was laid down by Sir William Acworth and the majority of the Committee after mature consideration. And what about his other recommendations? He recommended that the Railways should be placed under the charge of a Minister of Communications. Have we any Minister of Communications in this House? I find that the different departments that would have gone to constitute that portfolio have been distributed between my Honourable friend Mr. Chatterjee and my Honourable friend Sir Charles Innes. Was it because, if his proposal, which I may say was also supported by the Inchcape Committee, was put into effect, then either the Railways or Commerce would have to be given over to an Indian Member of the Executive Council?

The Honourable Sir Basil Blackett : What has that got to do with separation?

Mr. K. C. Neogy : I am coming to Indianisation, and this is how I begin. I want to show that the attitude of Government with regard to railway policy has been anti-Indian in every sphere, beginning from the top, and down to the subordinate ranks of the railway service. Then, Sir, even this morning we had a crop of questions, which I believe my Honourable friend Mr. Hindley found it rather uncomfortable to answer. (*Mr. C. D. M. Hindley :* "Not at all.") At least he could not answer some of them. I need not labour this point any further because seldom does a day pass in this Assembly when we have no questions regarding the racial discrimination in regard to the conditions of service on the Railways. Sir, I find that a recent contributor to a literary magazine has taken the trouble to calculate the percentage of increase of Indians employed in the higher grades, in the different departments of the Railways in the years 1907 and 1923. There he points out that in the engineering branch the percentage of Indians employed in 1907 was 7 per cent. while in 1923 it rose to 23 per cent.—that is in 14 years. In the agency it rose from 0 per cent. to 0 per cent.; in the traffic from 7 per cent. to 24 per cent, in the Loco. from 0 per cent. to 3 per cent.; in the Carriage and Wagon department, from 0 per cent. to 0 per cent.; in the Stores from 11 to 12½ per cent.—a total of from 5½ per cent. to 19 per cent. And he points out that the Agents' Office and the Carriage and wagon Department still remain closed to Indians, that in the Loco and Stores Departments, there is an infinitesimally small increase, and 16 per cent. in the engineering and traffic lines in a period of 16 years. He points out that the Islington Commission recommended in 1915 that the Loco branch should be entirely Indianised, that there was no Indian officer then in this department and that 8 years' progress towards the Islington ideal is represented by 2 Indians out of a total

cadre of 72. Reference has been made to the recommendations of the Lee Commission. I am free to admit that those recommendations go to a certain extent towards the ideal of Indianisation. But, Sir, the Lee Commission report is not concerned with the subordinate departments at all, and it is a notorious fact that the subordinate departments of the Railways are overweighted by a particular community (*A Voice*: "Are they not Indians?"), and in the elaborate report that we have got with regard to the training of railway officers and subordinates in India by a gentleman belonging to the Locomotive Department of the State Railways we find that he has succeeded in making out a case against Indians generally. (*A Voice*: "No.") He evidently thinks that Indians will not do, so far as the subordinate establishments are concerned. He says:

"It is at the present time difficult to find Indians with the personal qualities that make efficient chargemen and foremen."

I wonder what those personal qualities are.

Then he proceeds:

"At the present day, therefore, the bulk of the upper subordinate appointments are held by domiciled Europeans and Anglo-Indians."

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): As Statutory Natives of India Anglo-Indians are now Indians.

Mr. K. C. Neogy: Yes, when the question of Indianisation comes, but not when the question of pay is concerned. Anglo-Indians claim to be treated as Europeans when the question of pay comes up, but when it is a question of Indianisation and getting more loaves and fishes of office my Honourable friend will claim to be an Indian. When it is a question of—I do not know whether I should mention it, but as my Honourable friend has interrupted me, I think I must refer to the Tundla case. When the question of administering flogging to convicted criminals of his community comes up—

Mr. Deputy President: I would advise the Honourable Member not to be interrupted and I would ask him to go on with his remarks. His time is already up.

Mr. K. C. Neogy: I am very sorry that my Honourable friend interrupted me in the way he did. He ought to have been aware of the weakness of his position. Getting back to the subject, Mr. Cole proceeds:

"At the present day, therefore, the bulk of the upper subordinate appointments are held by domiciled Europeans or Anglo-Indians, and having regard to the material at present available in the lower grades of the service, no responsible railway officer could recommend a very early change in this position."

That is how Indianisation stands, that is what we are asked to pin our faith to by the Honourable the Commerce Member.

(At this stage the Deputy President vacated the Chair which was taken by Mr. President.) Sir, I believe the basic principle of this scheme is that the Railways ought to be treated as a business proposition. Is the railway a business proposition when you find that you pay more salary to members of a particular community for doing exactly the same thing for which you pay much less to Indians? Is that a business proposition? Now, Sir, the Honourable Sir Basil Blackett made the astounding statement that no Government anywhere in the world can give the undertaking that this amendment seeks. Is there any Government in the world which can

afford to defy the popular will as the Indian Government can? I believe my Honourable friend has heard of contracts being placed before the House of Commons for their ratification. It is very difficult to have patience when arguments like these are advanced by responsible officers of Government. I for my part fail to see what is there that can prevent Government from accepting this amendment. That merely goes to substantiate the suspicions that are undoubtedly lurking in the minds of many of us here. Now, Sir, my Honourable friend claimed that this scheme would do away with the violent fluctuations to which the general budget is subjected by reason of the inclusion of the railway profits which vary considerably. Like my Honourable friend, I also do not understand preambles and I do not like the strong adjectival flavour of this particular preamble "violent fluctuations" and other things.

The Honourable Sir Basil Blackett : They happen to be true.

Mr. K. C. Neogy : I think it would have been far more correct to say that this scheme was necessary for the purpose of relieving the general budget from the manipulations of which the Finance Member is capable—that would have been the more correct description, because I dare say that what my Honourable friend has in mind is the war period when the so-called railway profits rose to a very high level. Was that due to any normal circumstances? Was it not due to the fact that certain items of expenditure were postponed, and by reason of that fact we had a bloated figure shown as the railway profits. That is not an inherent defect of the system. I think that it was necessary, in the interests of Government, to have a bloated budget during the war period. That gave the impression of an unusual financial prosperity in this country, and my Honourable friend's predecessors quietly annexed much more from the railway earnings than they were entitled to. In fact, the evils from which we are suffering at present—the high rates, the additional railway loans, and other things, are directly attributable to that action of theirs. I therefore say that it was more on account of the manipulation resorted to by the then Finance Members and the Government that the general budget was subjected to such violent fluctuations, particularly in the war years. With these words I beg to support the amendment.

Mr. H. G. Cocke (Bombay : European) : Sir, in a railway debate one of the objects of the speakers should, I think, be to keep on the rails, but my Honourable friend on my left succeeded in getting off fairly often. This is a business proposition. We are seeking to separate the budget of the Railways from the general budget because in the past we have been running our railway accounts on a system which is bad. I do not propose to go over the ground which has already been gone over very carefully by the two Members of the Government opposite but I think it is obvious to anybody who has gone over these papers, that to carry on with the present system of railway accounts is absolutely impossible. If we do it, we are going to hamper the future development of the Railways, and if this proposition is not passed, we are going to set back the clock of Railways for very many years to come. Really the question comes down to this. Sir Purshotamdas Thakurdas has put down an amendment which accepts the whole of the proposition of the Commerce Member but seeks to add two qualifications. Therefore any discussion on the merits of the actual separation proposals, provided Sir Purshotamdas Thakurdas spoke, as he said he did, for his party, does not seem to

be very necessary. The proposals are accepted by this House, I take it, as a whole, but it is sought to add the two qualifications. Under (a) we are told that the proposition cannot be accepted unless Government agree to the proposition that no railway line now under State management and no railway line now managed by a company whose contract may hereafter expire should be handed over to Company management without the previous approval of the Legislative Assembly. Well, it has been pointed out by Sir Basil Blackett that this is a proposition which is practically beyond the power of Government to accept and therefore it seems to me that if that can be modified as suggested, so that the last few words read "without previous reference to and discussion by the Assembly," that will enable the Assembly to express its views on the particular proposal when it arises and we shall not now be putting before the Government a proposition which they cannot agree to. But the main point, I think, perhaps lies in (b) in connection with Indianisation. Well, the Railways, as we know, constitute a technical service and it may be the rate of Indianisation in Railways has not been so rapid in the past as has been the case with some other departments of the administration, but I think it may reasonably be expected that Indianisation in the next five years will be much more rapid than it has been during the past five years. As regards the figures given by Mr. Neogy, he has pointed out that there has been practically no progress in Indianisation in certain departments of Railways. That of course is due to the fact that they are the more technical and the more advanced departments, but speaking generally, as shown by his figures, there has undoubtedly been progress. There will be very much more progress in the future. As regards the point raised by Sir Purshotamdas Thakurdas this morning, he pointed out that if the Finance Member of this country were faced with a deficit of 1½ crores and it was desired by this House not to go in for any further taxation but to meet the deficit of 1½ crores by cutting down expenditure, then, if the Finance Member were asked to cut 50 lakhs off the Railways, it would not help his deficit because his contribution from Railways is fixed and the cut of 50 lakhs would accordingly go to swell the reserve. That, I believe, is not disputed. But this separation is merely a convention. This is an agreement. It is not absolutely binding and if we are going to have another war or some abnormal circumstance, it is obvious that this arrangement—this convention—could be departed from in exceptional circumstances. It seems to me that that contingency of a large deficit is not likely to arise, but if it does arise, it will probably not be sufficiently serious to make it necessary to go to the Finance Member and ask him to reorganise his scheme. It is very essential that the Railways should have the benefit of the profits for future developments, profits which they have not had the benefit of in the past.

Mr. C. D. M. Hindley (Chief Commissioner, Railways) : Sir, I had not intended to intervene in this debate after the turn which it took this morning. Sir, I am not politician. I understand very little about politics. I do my best to be a plain railway manager. The various convolutions, evolutions and the difficulties which seem to beset this question since it came before the House have rather bewildered me and I have no doubt that a great many Members of the House are themselves bewildered by what has happened. I am extremely disappointed, Sir, that this case, which we have taken a great deal of trouble to put clearly before the House, has not been considered on its merits for one minute during this debate. I have

not heard any arguments or any criticisms directed towards the proposal that we have put up or any alternatives put forward to achieve the same object. It is, therefore, extremely difficult for me to put my case as I should have liked to put it if the debate had not taken a definite political turn. I presume I am right in my reading of Sir Purshotamdas Thakurdas's amendment. Sir Purshotamdas Thakurdas who is a business man of very great reputation in India, has urged over and over again the separation of Railway finances. He was a member of the Acworth Committee which strongly recommended early separation.

Sir Purshotamdas Thakurdas : So I do to-day, only with certain precautions and other safeguards.

Mr. C. D. M. Hindley : So he does to-day ! So we have heard him supporting in this House the motion and at the same time laying before Government conditions which have no connection whatever with the proposals of Government. These are the conditions which he says must be attached to a convention. I do not wish to pursue this subject because I shall get on to political ground where I do not want to get. I am quite sure that Sir Purshotamdas Thakurdas himself realises that the conditions which he has laid down cannot be accepted by Government, and therefore he has adopted this method of throwing out separation. That is my reading of it, Sir. I have already said that I am not a politician ; I am a railway manager. But I see that the constructive work we have put in over this business during the last 18 months is about to fall to the ground on purely political considerations. That, Sir, I think, is an interesting fact and I have no doubt that our friends the Press will duly communicate that fact fully to the rest of the world. I am quite sure Sir Purshotamdas Thakurdas will like it to be repeated in London and will also like his own friend, Sir William Acworth, to know what has been the result.

Sir Purshotamdas Thakurdas : According to Mr. Hindley's opinion !

Mr. C. D. M. Hindley : I have not expressed any opinion. I am simply giving the facts. Now, Sir, if it is not too late, I should like to say just a few words in my capacity as a railway manager. I have put myself, as the Honourable Sir Basil Blackett kindly said, heart and soul into this scheme from the very beginning. I have a good deal of experience of the present system. I had the honour of being in very close contact with Sir William Acworth in the early part of his visit to this country, and was able to give him a great deal of first-hand information about the actual detrimental effect of the existing system of finance on the Railways of India. Anyone who takes the trouble to read the evidence as given before the Acworth Committee will see that the recommendations of that Committee were founded on a very solid body of evidence condemning the present system of finance. The whole position is, from the practical point of view, that with a lapsing budget system as we have now, there is no possibility of carrying on a continuous business like that of railway management with any kind of efficiency or success. The continuity of operations which I have in mind, which is so desirable on Railways, is not, as perhaps might be at first thought, the mere continuity of keeping trains running—that is a minor matter. The most important matter, and one on which efficient and punctual train service depends is the meeting of the necessities of the whole organisation, both with regard to growth and in the matter of repairs to decayed and worn out materials. The Acworth Committee came at a

time when the defects caused by the present system were most extraordinarily apparent. I do not wish to take up the time of the House by quoting what the Acworth Committee found in regard to the state of the Railways ; but I would like to say that it is no exaggeration at all to put down the widespread defects and inadequacies, which the Acworth Committee found, as directly arising out of the present system of finance. Further, I would assert that the potential insolvency which the Inchcape Committee also demonstrated to us also arose out of the present system of finance. During the war, of course, the matter became intensified by the difficulty of obtaining materials, but I do not think it can be seriously contested, and I think both Lord Inchcape and the Acworth Committee themselves both agreed that the present system was at fault.

The railway system is an organism of continuous growth. It can never stand still. It has always to go on increasing and improving its services to meet demands for increases in traffic. Further, it has also constantly, day by day, to meet the necessity for renewals. The Honourable Sir Charles Innes has already referred to some of the difficulties in effecting the necessary improvements on railways and also in carrying the essential renewals. I can give numbers of instances where the present system works so as to produce results which I think might almost be considered to have originated in a lunatic asylum. Mr. Jamnadas Mehta has been the most powerful advocate to-day for the abolition of the present system. I was very glad to hear his speech, and he certainly has a very clear vision of what the present system was doing for us and what the new system might do. I do not wish to take up the time of the House by giving instances, but they have been brought home to us drastically in recent years, and I am personally satisfied of the possibility of these things happening again in the future. I am perfectly satisfied that you have no security whatever that your railways will not get again into the position that the Acworth Committee found them, and into the position that the Inchcape Committee found them. There is no hope, no certainty that we shall be allowed regular and sufficient grants for meeting renewals and for effecting improvements. All the constructive work, the constructive imaginative work that your railway officers have been putting in during the last year and a half, since we had the benefit of the Inchcape Committee's inquiry, all the constructive effort towards improvements, towards seeking for additional traffic, for additional profits, for additional train services, all those constructive efforts are bound to go by the board if this House cannot come to some arrangement with Government whereby a continuous system of grants for revenue expenditure can be arrived at. I do not ask for sympathy for myself. I have done my best to try and get this scheme through because I believe in it, but I do ask the House to think for a little while what the effect of the rejection of these proposals would be. All over the country engineers and railway managers have been for the last year and a half steadily putting together large schemes of development and improvement, so that train services might be improved, so that accommodation might be increased, station buildings made more comfortable, and in particular so that our friends the third class passengers might be more comfortably carried. What is the mainspring of these efforts towards improvement ? It is the hope that in some way or other when we have devised schemes which in themselves take three or four or five years to carry out, this House, holding the purse strings, may be able to give us some assurance that we can find the money at the time when it is required so that we can carry out those schemes. Can the House imagine

what happens for instance when we have to take up the case of rebuilding a large bridge which takes perhaps three years to build ? They give us a grant for the first year's work. The first year's work consists of laying down sidings, erecting workshops and collecting machinery and plant. During the second year the first consignment of girders will arrive for erection. During the third year the second load of girders is due. This House has in its hands the power to stop the grant for the second year's work, after we have planned the workshops, the sidings, collected equipment and materials ; this House has the power to say, " Stop that bridge ; it shall not go on." This House may do that by making a cut in my grant for some purpose entirely extraneous to Railways. That has its practical effect in preventing work being carried on. It has prevented work of this kind going forward in the past and will in the future. Such action has also a much more important psychological effect on your railway managers and engineers. If they are not assured of getting adequate grants to carry out schemes which they have been preparing with the greatest difficulty and the full use of their expert knowledge and experience, what inducement is there for them to go ahead and devise further improvement schemes ?

That, Sir, is the most serious matter, one to which I do not think sufficient attention has been paid by this House because they do not altogether realise the conditions under which these works are devised. It very often takes a year or eighteen months to devise a scheme and think it out in order that it may be carried out efficiently. I do therefore feel very great regret, if it is the decision of this House to throw this proposal out, on behalf of these railway managers and engineers all over India who have been working heart and soul for the improvement of the Railways in the early future ; I do feel a great amount of sympathy for them, and I do feel there will be a very great amount of disappointment. I also feel that there will be inevitably a slowing down of effort, because they will feel that this House does not in the least sympathise with them, does not understand their work, and takes no trouble to help them to improve the Railways.

Sir, there is one word which I should like to add. One of the reasons why I have been very desirous of getting this proposal through, was that it was going to give us an opportunity of getting into much closer touch with the Members of the Assembly who are interested in railway management. I know popular opinion, which is expressed fairly freely is—I cannot remember the expression used by Mr. Neogy, but it was something rather offensive about my aloof attitude. Well, Sir, I may have perhaps a somewhat curt manner in answering questions, but I am most desirous of coming into closer touch with those Members of this Assembly who are interested in railway matters and who can assist us in framing our policy. For that reason I have welcomed the alterations which have been proposed in regard to the Standing Finance Committee for Railways and the Central Advisory Council. I further welcomed the possibility of having a longer period to discuss the Railway Budget in this House. If it had been possible to change the date of the railway year and put the Railway Budget before this House separately in September, I feel quite satisfied that we should have been able to get much closer, we should have been able to understand one another better. The House would have understood what we are driving at in our policy ; the House and its representatives on the Committee would have understood our difficulties and perhaps been a little more inclined to make allowances for our difficulties. I very much regret that this

prospect seems to be further and further away. We shall come up again I suppose next March with a harum scarum debate lasting part of one day on a subject of vital importance to India, a harum scarum debate, no one knowing what amendments have been put or what heads of accounts they refer to ; every one bringing up his pet stunts and firing them off here in accordance with his annual custom, with no attempt at getting down to the real business, that is to say, the management of the greatest property, the greatest railway property which belongs to a nation in the whole of this world. I very much regret to have to face that prospect again next March. I should much have preferred to have five or six days, if necessary, for leisurely and careful discussion of the votes as they come up one by one.

Now, Sir, I do not feel for a moment that my contribution to this debate is likely to affect the main question, but I do hope that what I have said from the point of view of the practical man will perhaps give some misgivings to other practical minded Members of this House who have pledged themselves to vote against a practical measure for a purely political purpose.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : Sir, my Honourable friend Mr. Hindley made a very feeling and impassioned speech in support of the scheme which he and the officers associated with him have placed before this House. There is no doubt, Sir, that the scheme which has been devised and considered in the Committee of this House has been the result of considerable trouble on the part of the officers and the Member in charge, and I may assure him that, so far as the merits of that scheme are concerned, there is absolutely no one in this House who is not for separation. I may also tell him, Sir, that the further fact which he has mentioned to-day that the managers of railways have been accumulating large schemes in anticipation of this separation, and the securing of a continuity of railway policy, is also a consideration which some of us had in mind. Therefore, at the outset, let me remove from his mind and the mind of those who think with him, that we are actuated by political considerations in regard to this matter. Sir Charles Innes, in the discussion on the Lee Commission's Report, more or less gave expression to the same sentiment, and said that he was a practical man of business and affairs and that political discussions do not appeal to him. The same sentiments, Sir, have been expressed to-day by Mr. Hindley, who even went to the extent of suggesting that my Honourable friend's amendment was a way of shutting down this separation. I think, Sir, my Honourable friend is doing a great deal of injustice to the Honourable Mover of this amendment. He has taken a considerable part in the deliberations of the Acworth Committee and the anxious days we had in the Committee of this House in regard to this matter. Therefore I think at the outset several Honourable Members who are on the Treasury Benches are always thinking that, whatever we say on this side of the House, must be actuated by political considerations, and I wish they would try to understand our point of view. For example, in this case, what is the exact position of the Secretary of State in regard to this measure ? We did not hear a single word either from Sir Charles Innes or Sir Basil Blackett or my friend Mr. Hindley as regards the intentions of the Secretary of State in regard to the three points which have been raised in this amendment. Sir, the Honourable Sir Purshotamdas mentioned

the case of the South Indian Railway. The renewal of that lease was made by the Secretary of State over the heads of the Local Government and without any knowledge of the Government of India, and what is there to prevent, even after the separation, the Secretary of State giving the East Indian Railway or the Great Indian Peninsula Railway to some company formed in England, or even in India, without any discussion or without any consideration of the terms of that lease in this House? That is the vital point which has been raised by this amendment. Sir, under the terms of the present constitution the Secretary of State is the final authority, who has the power of making contracts with these railway companies. That power, it is conceivable, might be transferred to the Government of India under section 19A. It might be delegated to the Government of India, and so far as I am concerned, we should like to see the Secretary of State divested of this power of making contracts with companies either in England or even in India. If that power is conceded to the Government of India, we are face to face with an authority with which this Assembly can deal and negotiate. So long as that power remains in the hands of the Secretary of State, it is quite pertinent to ask what is the exact position of this Assembly with regard to these railway matters? The power of voting grants and dealing with the Railway Budget is vested in this Assembly, and if, over the heads of this Assembly and over the heads of the Government of India, the Secretary of State negotiates with some powerful corporation in England, or even in India and concludes an agreement without an opportunity to this House to examine the terms of the lease, I should like to know what exactly is the position of this Assembly. The matters have been mentioned so many times in the Select Committee of this House, that there is no misunderstanding of our position. In these circumstances this charge of turning every debate into a political debate is absolutely without any foundation, unless my Honourable friends who are sitting opposite can give us an adequate answer to the difficulty which we feel. Are they prepared to ask the Secretary of State to transfer the power of making contracts to the Government of India? Will they put forward the views of this Assembly regarding the delegation of that power to the Government of India, and will they now convey to the Secretary of State the desire of this House that this power should be delegated to the Government of India? A good deal has been said that these companies hereafter would be domiciled in India. It is all the more reason why the authority in India should deal with those future companies if there are any terms negotiated with those companies. This is the fundamental point which we wish to raise in connection with this separation of the railway finance from the general finance. The Budget has to be voted by this Assembly, but the power of making contracts will continue with the Secretary of State. The only answer that was attempted to be given to this question was that the Government of India have absolutely no power to commit the Secretary of State. May I ask the Honourable Sir Basil Blackett, and the Honourable Sir Charles Innes, whether this view of the case has been presented to the Secretary of State, and whether this constitutional difficulty of the final power being vested in the Secretary of State and the power of voting grants being in this Assembly has been appreciated and whether any attempt has been made to secure a solution? Unless we have a clear and unequivocal statement on this matter, my Honourable friends may rest assured that there would be no satisfaction on this side of the House.

Sir, so much for the initial difficulty. On the question of Indianisation it has been pointed out over and over again that even here the final authority is the Secretary of State. Take the railway service. It is certainly open to him to engage anybody he likes for the Carriage and Wagon Department, for the Locomotive Department, for the Stores Department. In the matter of the purchase of stores, whatever may be the policy of the Government of India, he may still continue to take steps which are not agreeable to this House.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

As regards the general question of Indianisation, perhaps Honourable Members have forgotten the very important memorandum marked as annexure A which was circulated with the explanatory memorandum of the Railway Budget for 1924-25. From the figures there given, it will be seen that the total number of superior appointments were 1,428 in 1923 and of this the number of Indians was 288, making about 16 per cent. or one-sixth of these appointments. Is it unreasonable on the part of this Assembly to say that there should be a rapid Indianisation of the Services? The Honourable Sir Basil Blackett has stated—I am not quite clear as to what he said—he said that 75 per cent. of the appointments in regard to these railway services would be recruited in India. I do not know whether he refers to all the Services which are mentioned in this annexure A, the Agency, Engineering, Traffic, Locomotive, Carriage and Wagon, Stores and other Departments, or whether it only refers to the Service of Engineers which was dealt with by the Lee Commission.

The Honourable Sir Charles Innes : All Services. Page 23 of the Lee Commission's Report—State Railway Engineers and the Superior Revenue Establishments of State Railways. That covers all Services.

Diwan Bahadur M. Ramachandra Rao : Therefore, looking at the fact that not even one-sixth of the appointments are now held by Indians, a better rate of Indianisation is absolutely necessary. In regard to the Railway Board, we are perfectly aware of the present constitution of this Board. It has an administrative side, it has an engineering side, and it has a financial side. I should like to ask my Honourable friend whether it is impossible to find a single Indian who could fill with credit an appointment on the Railway Board in one of these three branches. The amendment which has been framed does not commit the Government to appoint him to-morrow, but it says as early as possible, and I should like to ask him whether that suggestion is unreasonable. I have no desire to continue this discussion any longer than is necessary. It seems to me that there is a fundamental point on which my Honourable friends opposite and ourselves are in disagreement, but I myself think that an agreement is not impossible. They must realise that they must back our proposals to the Secretary of State, and unless they are prepared to do that, I am afraid we shall be working at cross purposes. We definitely put forward the view that the control of the Secretary of State in regard to these matters, seeing that the Budget is votable and is within the purview of this Legislature, should be transferred to the Government of India with whom we can deal. The Secretary of State is a person whom we cannot reach, and so long as these powers are transferred there would be no objection to the acceptance of these proposals. What is asked is the establishment of a convention that, when we and the Government of India are in agreement in regard to the leasing of

any of these Railways, the Secretary of State should not intervene, and that the decision arrived at between the Government of India and the Assembly should be binding, and, so long as the final power is with the Secretary of State, this the only logical constitutional position that can be taken by this Assembly.

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : I should like to go straight to Sir Charles Innes' amendment. Personally, I think that the contribution to be paid by the Railways is there fixed on too high a basis. I think that transport should not be taxed heavily ; that 5½ per cent. is too much. I think that this 1 per cent. is too much. But, Sir, as a member of the Committee it was my business to go in for a certain amount of give and take in order to arrive at a settlement of this very important question. After all, Sir, the difference between 5½ths and 1 per cent. is really only a question of 14 annas or 16 annas, so I had no great difficulty in agreeing to that in order to bring in a unanimous report. Where my difficulty began was in certain recommendations which certain members of that Committee wished to make, and I was rather handicapped I may say by only receiving Sir Purshotamdas Thakurdas's amendments at a late hour to-day without being able to give them any previous consideration. Sir Purshotamdas Thakurdas and myself agree in a very large measure in our views about this separation question, but the difference is that he spoke to-day, as he frankly said, on behalf of the Nationalist party. When Sir Purshotamdas Thakurdas speaks only as a commercial representative, I find myself agreeing with him on a very great many points. I agree with what he said about Sir Charles Innes's presentation of this case, but I defy Sir Charles Innes or any other man, or super-man to introduce in this Assembly a comprehensive motion like this which would not provoke a certain amount of criticism from some of us. Where I agree most with Sir Purshotamdas Thakurdas is in the views as expressed by the Indian Merchants' Chamber and Bureau in their letter of the 25th August 1922 to the Secretary of the Railway Board, Simla, wherein it is stated :

" My Committee wish to reiterate their opinion that the rejection of the unanimous recommendations of the Aeworth Committee regarding the separation of the railway budget from the general budget of the Government of India has been the fundamental wrong step taken by the Government of India."

I absolutely agree with that. Further on they say :

" My Committee are convinced that the successful management of Indian Railways will always be jeopardized unless a separate railway budget is insisted upon by the Assembly."

That is exactly my point of view.

Now, Sir when we come to consider the amendments, what really is the difference between the Government and the House ? I put it to you, that it is extremely small. If separation is such an important thing, such an advisable step, as Sir Purshotamdas' Chamber think and as mine think from the commercial point of view, I put it to you that the difference between the Government and the House or a section of the House is extremely small. Now, I am well aware that there is a certain section of the House who think that if a Government Member came into the House naked he would still have something up his sleeve. That cannot be the case at the present time. For my part, taking clause (a) it is to me so unthinkable that Government should ever contemplate handing our Railways over to any company public, private, foreign or Indian, without the consent of this House that I simply cannot believe it. They have agreed not to, so far as words go, without

absolutely committing themselves to it for reasons which they say are constitutional. Now, I am not competent to argue a constitutional question, but I am prepared to accept from a responsible Member of Government, who has always enjoyed the absolute confidence of this House, who has been complimented upon the straight forward way in which he put this case before you, what he has said.

Now, I come to the question of Indianisation. Here again I say it is largely a question of words. Sir Purshotamdas puts it now as a "proviso," but I may say that there is no proviso whatever in the views expressed by his Chamber of Commerce in August 1922. This surely is again a matter of words. The Government have said they are Indianising. Mr. Hindley, every time he gets on his feet, tells us how much more Indianisation has taken place. It has gone further in the Lee Report, which says you shall go up to 75 per cent. Surely it is a matter of words, it is almost redundant to put it in this Resolution.

Then, Sir, we come to the amendment of Mr. Duraiswamy Aiyangar (c) that the purchase of stores for the different railways should be undertaken through the organisation of the Stores Department. Now, on that point, you have no assurance whatever from Government. I do not believe Government agree with you there. This amendment of Mr. Duraiswamy Aiyangar is what I want in principle myself. Nevertheless, I do not think that this is the time to press this particular amendment. In the first place, it is impracticable, because I understand the Stores Department is insufficiently developed to do the work, but I am prepared to co-operate in urging this question of store purchase in India with anybody and at all times. I made some remarks about it myself only the other day in the Finance Committee, but I say that the question of the separation of railway finance is so vital at the present time that we should not clog or delay the issue by raising questions of this kind, although that particular part of the amendment is one with which I am in complete accord. Therefore,—I wish to put it no higher than that,—the commercial opinion of Bombay, of Sir Purshotamdas' Chamber in the words which I have quoted, or of the Associated Chambers, is so strong on this question of the separation of railway from the general finance that I myself, one of the keenest supporters of the purchase of stores in India, am prepared to say that I am not prepared to jeopardise my chance of getting separation to-day by insisting on some other important, though minor matters. I put it to the House that the difference between Government and those Members who have spoken is largely a matter of words, mere words and no more. The principles are practically accepted.

Pandit Madan Mohan Malaviya : Sir, the reasons for the amendment have been very well put forward by many previous speakers. I want just to summarise our position as briefly as possible. In the first place there has been a good deal of confusion of thought in the view that has been put forward before the House regarding the conditions under which the Acworth Committee recommended the separation of railway finance and the conditions which now exist in India. The Acworth Committee on page 26 of their Report said :

"We do not think that the Indian railways can be modernised, improved and enlarged so as to give to India the service of which it is in crying need at the moment, nor that the railways can yield to the Indian public the financial return which they are entitled to expect from so valuable a property, until the whole financial methods are radically reformed. And the essence of this reform is contained in two things (1) the complete separation of the Railway Budget from the general Budget of the country and its reconstruction in a form which frees a great commercial business from the

trammels of a system which assumes that the concern goes out of business on each 31st of March and recommences *de novo* on the 1st of April, and (2) the emancipation of the railway management from the control of the Finance Department."

Those were in essence the two changes that the Committee recommended. As regards the second, the Finance Member and the Government of India have not accepted the view of the Acworth Committee. They have got a Financial Commissioner in the Railway Board and the Financial Commissioner, we understand, acts strictly under the control of the Finance Member. So I take it that the Government of India have not accepted the recommendation that the railway management should be emancipated from the control of the Finance Department, and I am glad that the Government of India have come to that conclusion. It will be an evil day for the country if the railway management were entirely freed from the control of the Finance Department of the Government of India. Therefore we are left to deal with only one change, which the Acworth Committee regarded as essential, namely, the complete separation of the Railway Budget from the general budget of the country. Now, I want to understand what is the exact meaning of that? The Railway Budget is at present practically separated from the general Budget. It is prepared and submitted as a separate budget, though it no doubt forms part of the general Budget. The section dealing with it is entirely separate. It would not become more separate if it is taken up at a different time from the time at which the general Budget is taken up. There are two things which are of the essence of this separation. In the first place there was the complaint in the past that there could not be a continuity of railway construction and improvement because there was no certainty that the necessary funds would be available from year to year. That has been provided against by 150 crores having been voted by this Assembly for railway construction and improvement during five years. That will go on. So there is no more any reason left for anybody to urge that railway improvement will be jeopardised for want of a certainty of continuous sufficient contribution from the Government of India. The thing that is of the essence of the change proposed is that the Government of India now desire that this Assembly should bind itself to receive from Railways only a limited amount of profits for the general revenues every year. That is the only issue which is a new issue before this Assembly. At present it is open to the Assembly or rather to the Finance Member acting for the Assembly, though he does not always act according to the wishes of the Assembly, to appropriate the whole of the Railway profits to the general revenues of the year. And we are asked to bind ourselves down to the view that the Finance Member shall not, in future, appropriate more than a certain fixed proportion of the railway profits of the year to the general revenues, that we should bind ourselves to receive a definite amount, namely, 1 per cent. of profits *plus* one-fifth of the surplus, subject to the other condition which has been mentioned when the surplus exceeds three crores. I submit, Sir, that the absence of such an agreement as is proposed does not mean anything serious for the railway administration. The railway administration is assured of 150 crores to be spent in five years. They are also assured that the Finance Member is not going to ask for any very large sum from the railway revenues to be made over to the general revenues. This is the position. Therefore when the Chief Commissioner of Railways and the other Members who have spoken on that side drew a lurid picture of the evils that will arise to the railway administration if the proposal before us is not accepted, I submit that they did not place the correct facts before

the House. The railway administration will not come to grief, it cannot come to grief, if the proposal of the Honourable Member for Commerce is not accepted because there has been no suggestion that except during the years of the war the Government of India have not given ample funds to the Railways. The railway administration have been free to recommend what percentage of working expenses should be charged and what percentage should be reserved for renewals. The Government of India have as a rule provided in the Budget what they asked for. The question now before us is whether this House should bind itself to receive only a certain fixed percentage of the revenues of the railways or let the existing practice continue. Now Sir, my friends on the Government side say that we should agree to this proposal because we do not lose anything very much by doing so, and that we shall help the railway administration to show better results if they will know that they will have a certain definite proportion of railway profits only to pay towards the general revenues and that the rest will go to improve railway administration or to reduce rates and fares. We ask our friends to agree to certain conditions, three conditions. To two of these conditions the Honourable the Finance Member and the Member for Commerce have expressed their general willingness to assent. They say, in practice, we agree that there shall be Indianisation of the railway services carried out with reasonable rapidity—at least that is how I understood them to express themselves. (*The Honourable Sir Basil Blackett* : “Quite right.”) The one thing they have not expressed themselves about is the representation of Indians on the Railway Board. I do not remember to have heard anything at all from either the Honourable Member for Commerce or the Finance Member on that question, and it has been to me, Sir, a matter rather of surprise that they should not have said anything on this subject. I am open to correction.

The Honourable Sir Basil Blackett : I think I mentioned that this was a case in which the Government should have no particular difficulty in coming to an agreement with the Assembly.

Pandit Madan Mohan Malaviya : On the question of the Railway Board ?

The Honourable Sir Basil Blackett : Yes.

Pandit Madan Mohan Malaviya : Thank you. Therefore, Sir, if my friends do not find any difficulty in coming to an agreement with the Assembly on these two questions of the representation of Indians on the Railway Board and on the rapid Indianisation of the railway services, the only point of importance which divides the Government from this side of the House, is the question of an assurance that we desire to have from the Government that no State railway shall be handed over in future for management to a private company except with the prior approval of this Assembly. My friends say we should not apprehend that they will hand over a railway to a private company without consulting the Assembly. The Honourable the Finance Member has gone to the extent of saying that the matter will be brought before the Central Railway Advisory Council, and if any member of that Council should so desire, the matter will be brought before the Assembly. But there he stops. It will be brought before the Assembly for an expression of the opinion of this Assembly. Now, Sir, it is a painful thing for us to be reminded again and again and to remind our friends on the opposite side that a consultation with this Assembly does not yet mean that the

Government of India will accept the view which this Assembly may express even by an overwhelming majority. We therefore desire that we should have the assurance from the Government that they will not hand over any State railway to a private company except with the approval of this Assembly. The Government say that this is a constitutional question, that they cannot as a Government—the Government of India and the Secretary of State together—agree to ask for the previous approval of the Assembly before handing over the management of a State railway to a private company. The Honourable the Finance Member has not told us what the constitutional difficulty is. The power is at present exercised by the Secretary of State. The Secretary of State, if the matter is represented to him will, I venture to think, see the reasonableness of the demand which we put forward; and if this demand is put forward before him and if he considers it reasonable, our difficulties and our differences will be solved. Why should not this view of the Assembly be placed before the Secretary of State, and why should not the Government of India keep an open mind on this question? My Honourable friend says, “this is a constitutional question of great importance: we cannot agree to it”. Now I ask him to consider the other side of the case. There is a constitutional difficulty in the way of us Indian Members who represent the people in accepting the proposal of Government. That constitutional difficulty is this. Railway revenues bring us a certain amount of profit every year. Suppose there is a profit of 8 crores next year so far as the Railways are concerned, and suppose there is a deficit of two to three crores in the general Budget of the country. As matters stand at present, if we do not agree to the proposal of the Honourable the Commerce Member, the position will be that the Finance Member will take into account the 8 crores of profits on the Railways and adjust his account, without resorting to any fresh taxation. If we agree to the convention which is proposed, that is, bind ourselves not to touch anything above five crores or so of railway profits, we shall be face to face with this situation—that while there may be three crores more of railway profits of the year, it must be kept as a railway reserve, and we may have to increase the salt tax, or customs duties, or find some other means of taxation to meet the deficit of the two or three crores in the general budget. That will be the constitutional position in which we shall be placed. Now, I ask Members of Government to consider in fairness whether it is reasonable to ask the House to agree to such a convention unless we feel satisfied that in certain essential matters Government will not act without the consent of this Assembly if we agree partly to give up the power of appropriating revenues from the Railways to the general Budget. If we agree to expose ourselves to the situation in which fresh taxation may have to be imposed even while railway profits should be available, even when railway profits should be available but only to be placed in the railway reserve—if we agree to put ourselves in that position, we must have the assurance that the railway administration shall be conducted by the Government in conformity with the wishes of this Assembly. And what is the assurance that we want? The assurance that we want is that the biggest railway, the most profitable of all Indian railways, the East Indian Railway, shall not be handed over for management to a private company next year or the year after, that when the Great Indian Peninsula railway contract comes to an end it shall not be handed over to any private company without the prior

approval of this Assembly. And why do we ask for this? We ask for this assurance because we feel that, unless we get this assurance and unless we get fair representation on the Railway Board, we shall be doing a wrong, an injustice to the people of this country if we agree to the proposals of the Government. How are railway profits made? How is the railway revenue made? It is made up of the rates and fares imposed upon the people. It is the people who contribute in this indirect manner the revenues that the Railways raise. At present the railway administration and the Government of India are free to raise the rates and fares as they may think fit. The rates have been raised, fares have been raised without any reference to the Legislature. The people have long been complaining that rates and fares have become very high. We have heard a good deal to-day in this discussion and since these proposals were put forward of the desire to reduce rates and fares. We have not yet seen that desire put into practice. We shall be very grateful if the desire to reduce rates and fares is actually put into practice. We have no wish that our people should be taxed to a larger extent than is justified by reason, we do not desire that the general revenues should receive a large yearly accretion from railway revenues by rates and fares being kept up; on the contrary, we desire that the rates and fares should be reduced. But we have no certainty that they will be reduced until we have an effective representation on the Railway Board and the Railway administration, until the Government of India know that they are under the necessity of coming to this Assembly year by year for the appropriation of railway revenues. My European friends say: "Do not throw away this highly desirable administrative reform for a consideration which is somewhat ulterior to the proposal before us". But this consideration is not ulterior. This is the one power which is in our hands of compelling the Government to carry out the reforms which we consider to be essential. If we agree to bind ourselves by the convention which you propose, if we agree that we shall not touch railway revenues beyond one-third of surplus profits year after year for the next three years, then it means this that you will be free, if you think it right at the time and I apprehend that it may be that Members of Government who are in power at the time may find abundant reason to be satisfied at that time that the State should not manage its railways and that they should be handed to a private Company, so to hand them over. We feel that in that case we shall not be able to justify our position before the people whom we represent, and therefore it is that we desire that the Government should give us the assurance that no State railway shall in future be handed over to a private company.

Now, Sir, it has also been said that we have imported political considerations into what should be a purely commercial question. It is rather amusing to hear that said. Sir, railway administration is not a purely commercial concern, it never has been so—it has been a politico-commercial concern from the time when the first Minute was written on Railways in 1853 or 1854, and that Minute was brimful of politico-commercial considerations. Railway administration has always been a politico-commercial business in this country. We are face to face with a situation which I want my European friends and Government Members to consider from our point of view. Look at the railway administration as it is being carried on at present. We take up the Railway Board Classified List. We find the Railway Board consists of

Mr. Hindley, Mr. Parsons, Mr. Sheridan and Mr. Hadow. The officers are Mr. Chase, Mr. Allum, Mr. Tomkins, Mr. Manson, Mr. Maffin, Mr. Stanley, Mr. Harvey, Major Budden, then one Indian gentleman, then again an Englishman, then Mr. Nicolls, then one Bengali gentleman, then Mr. Thomas, then Mr. Hayman, then Mr. Graham. Now this is the position. Is there any country to which reference has been made, either Switzerland or Prussia or Japan or Italy, where conditions like those obtaining in India exist, where the railways are so controlled and managed by persons who are not inhabitants of the country in which the Railways are run? Is there any other railway administration in which the great bulk of the people who contribute to the Railways are unrepresented as Indians are unrepresented in the railway administration of this country? It is for these reasons that we desire to be assured that the management of a State railway shall not be handed over to a company without our consent. My friends may think that we are importing political considerations into the matter, but we are bound to do so; and we wish them to understand that it is part of our duty not to overlook political considerations. If my Honourable friends on the opposite side recognize that these considerations are valid, if they recognize that these are not unreasonable, then the Government of India should communicate with the Secretary of State, put our case before him, and obtain his consent to give us the assurance that we want, that no State railway shall in future be handed over to a Company for management until the approval of this Assembly has been obtained. They are put to the test of the sincerity of the views which they have propounded with great ability in this debate. They are now put to the test: if they earnestly feel that the change they propose should be effected, and if they recognize that we are reasonable in demanding that no State railway shall in future be handed over to a private Company without our approval, let them put forward our case before the Secretary of State. I feel confident, at least I feel hopeful, that the Secretary of State, considering the arguments that have been put forward on both sides in this debate, will not so easily come to the conclusion that what we have urged deserves to be ignored and that what the Government Members have urged deserves to be accepted in its entirety. For these reasons, Sir, I strongly support the amendment of my friend, Sir Purshotamdas Thakurdas, and I hope the House will carry it unanimously.

The Honourable Sir Charles Innes : Sir, I think we are all getting rather tired, and I do not propose to make a speech of any length. What impresses me about this debate is that after all there is very little difference between that side of the House and this. I think I am correct in saying that almost everyone in this House is perfectly satisfied that the separation we propose is really in the interests of the railways, in the interests of India, and in the interests of the tax-payer; and I believe that all would be glad if we could arrive at some settlement which would enable us to get rid of the very small difficulty which is between us.

Now I will take first this question of Indianisation. Various things have been said in regard to this question in relation to the Railways to-day, but I think I may claim—I do not say anything about the past, the distant past—I think I may claim that in recent years we have done more in the way of Indianisation on Railways than in any other Department of Government. I have got the figures here. In the last three years we have taken on 16 officers in the Superior Traffic Department.

Of those sixteen officers, not one has been a European—there were 8 Anglo-Indians and 8 Indians, that is to say, the whole sixteen have been Statutory Natives of India. In the Engineering Department in the last three years we have taken on 31 officers. Of those 31 officers, 9 were Europeans, 5 Anglo-Indians and 17 Indians. In other Departments we have taken on 29 officers, of which 5 have been Anglo-Indians and 2 have been Indians. Those other Departments include Departments like the Carriage and Wagon Department and the Locomotive Department which are Departments in respect of which we have got no facilities for training in India at present. Now in addition to that, Sir Basil Blackett has told you that we have agreed to the Lee Commission's proposals, namely, that we have agreed to this recommendation :

“ We are strongly of opinion that the extension of existing facilities should be pressed forward as expeditiously as possible in order that the recruitment of Indian may be advanced as soon as practicable up to 75 per cent. of the total number of vacancies in the Railway Department as a whole, the remaining 25 per cent. being recruited in England.”

Now we have accepted that recommendation. Then coming to the question of the Railway Board, I look at this question of Indianisation in this way. You cannot possibly treat Indianisation with reference to individual appointments or individual officers. The Railway Board is a technical Board. It is composed purely of men who are qualified to fill the appointment by reason of their knowledge and experience of Indian Railways. It does not control policy. The policy of the Indian Railways is controlled by the Government of India. But the Railway Board is a body of technical men. I do hope the House would not think that there is any bar of any sort or kind against an Indian being appointed as a Member of the Railway Board ; there is not. But the difficulty we experience in getting Indians to the Railway Board is that we have not got Indians in the Railway service of sufficient experience. It may be due..... (At this stage Pandit Madan Mohan Malaviya rose to speak). The Honourable Member spoke for half an hour. He might let me have my time. I will not give way.

Pandit Madan Mohan Malaviya : May I just ask a question of the Honourable the Commerce Member ? I do not want to interrupt him. I want to ask whether there is not an Indian like Rai Bahadur Rai Ram, who was for many years Chief Engineer of the Eastern Bengal Railway and whether he is not qualified ?

Mr. Deputy President : The Honourable Member had better avoid personal questions.

The Honourable Sir Charles Innes : It is grossly improper for the Honourable Pandit to raise the question of individual officers.

Mr. Deputy President : I have overruled it.

Mr. Chaman Lall : May I ask whether there is a single Indian Member of the Railway Board or a single Agent of Railways ? Is it not possible to get an Indian to occupy these places ?

Mr. Deputy President : I would permit the Honourable Member to go on.

The Honourable Sir Charles Innes : The Railway Board is composed purely of technical men, of senior technical experts in our Railway Service. The question of Indianisation in regard to the four members of the

Board will right itself in time as Indians now in the service rise to senior positions. It may be that there were defects in the past in recruiting Indians for these services. But nobody can say in the last few years that those defects have not been repaired, and as Indians do rise to qualification and to the standard necessary for appointments not only in the organisation of the Board but in the Board itself, I will undertake that the claims of those Indians will be considered most carefully in each and every case. Already we have taken in the last few months two Indians in the Railway Board, and I hope that in the near future we will be able to take more. But, Sir, as I have said, I do not think there is very much difference between me and the House on that matter.

Let me now come to what is the crucial point in this case, namely, this question of State management. The Honourable Pandit in the course of his speech just now said that they wanted security that in the next two or three years the East Indian Railway should not be handed over to a company. I want to make a fair offer to the other side. I suggest that if the Honourable Sir Purshotamdas Thakurdas will drop his amendment that we should agree on adding the following clause to the amended Resolution moved by Sir Henry Moncrieff Smith. It will come in as clause 9. It would go on :

“ They (these arrangements) shall hold good only so long as the East Indian Railway, the Great Indian Peninsula Railway and existing State-managed Railways remain under State management.”

That is to say, if any of these Railways is transferred to Company management, the convention goes ; and I have further added :

“ In the event of negotiations for transferring any of the above Railways to a private Company being undertaken, those negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly.”

Now, it seems to me, Sir, that that clause which I suggest meets all our difficulties. It enables the Members of this House to gain the separation proposals, to see these proposals through without giving away anything at all. It gives you security as regards these Railways. According to this amendment if any Railway, either the East Indian Railway, the Great Indian Peninsula Railway or any Railway now managed by the State is transferred to a private company during the currency of the convention that is to say, three years, the convention ceases to hold good, and I further say here that we are prepared, in the event—in the very unlikely event—of negotiations of this kind for transfer being undertaken, to have an understanding with the House, to make a promise to the House, that before any such negotiations are concluded, the Government will give facilities for discussion of the whole matter in this House. It seems to me, Sir, that this is a bridge over which we can pass on to the goal desired, namely, the goal of separation. It seems to me that everybody in this House is agreed that this separation is going to enable us to manage our Railways better and more efficiently, and that separation will be for the good of India. Mr. Duraiswamy Aiyangar suggested that if we had separation, we would not be able to reduce pilgrim fares. I assure Mr. Duraiswamy Aiyangar that if he is anxious to get the fares of pilgrims reduced, to have the rates and fares for the whole country reduced, the best way to do it is to agree to our proposal about separation. There is nothing between us except this fear that these Railways are going to be transferred to companies in the next few years. The amendment which I have proposed seems to me to relieve that fear on your part and enables this House to agree with a

perfectly clear conscience to the proposals of Government, and I hope my Honourable friends opposite will meet me in this matter.

Sir Purshotamdas Thakurdas : Sir, I see that the Clock stands very nearly at half past five now, and in view of what I said at the outset when I moved my amendment that I was moving it on behalf of the Nationalist party, the Treasury Benches can easily understand that I am not in a position to say yes or no in reply to their suggestion without consulting my party. I would therefore suggest to you that the House may be adjourned and the discussion kept over till the next Government day.

The Honourable Sir Alexander Muddiman : I move that the debate be adjourned to the next Government day.

The Honourable Sir Charles Innes : I beg to move the following amendment :

“ That a new clause 9 be added to the amended Resolution moved by Sir Henry Moncreiff Smith.

“ 9. They shall hold good only so long as the East Indian Railway, Great Indian Peninsula Railway and existing State-managed Railways remain under State management. In the event of negotiations for transferring any of the above Railways to a private company being undertaken, those negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly.”

Mr. Deputy President : Further discussion is adjourned to next Friday.

20th September, 1924.

The Honourable Sir Charles Innes (Commerce Member) : Sir, the House will remember that on Wednesday in the final stages of our discussion on the Resolution regarding the separation of Railway from General Finance, I made a suggestion, which I hoped would remove the difficulties which some of my Honourable friends opposite felt in the way of my proposals. With your permission, Sir, I should now like to withdraw that amendment. I may explain that in the interval that has elapsed since we last discussed this subject, I have been in communication with my friends opposite and I have a revised amendment, which will satisfy all parties in the House. If, therefore, Sir, you will give me permission to withdraw the amendment I moved on Wednesday evening, I will now move the following revised amendment :

“ That the following be added as clause 9 to the Resolution moved by Sir Henry Moncreiff Smith :

“ In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But if in spite of the Assembly's Resolution above referred to Government should enter on any negotiations for the transfer of any of the above Railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above Railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution.”

I hope, Sir, that the House will realise that I have done my very best to meet them in this matter and I have done it by making this convention that we ask the House to agree to dependent upon the continuance of these

Railways under State management, that is, the Assembly will be at liberty to terminate the arrangement if any of the Railways are transferred to Company management against the advice of the Assembly. I hope, Sir, that my friends opposite and the House generally will be able to accept this amendment as a settlement of our difficulties.

Mr. President : The original question was :

“ That the Resolution as moved by the Honourable Sir Charles Innes on the 3rd of March be adopted.”

Since which an amendment has been moved :

“ That the Resolution moved by Sir Henry Monierieff Smith be substituted for it.”

Further amendment moved in the name of Sir Purshotamdas Thakurdas :

“ To add the following as an additional clause at the end of the Resolution :

‘ (9) The above proposals be given effect to provided the Government agree to the following :

(a) That no Railway Line now under State management and no Railway Line now managed by a Company whose contract may hereafter expire should be handed over to Company management without the previous approval of the Legislative Assembly ;

(b) That the railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible ’.”

Further amendment moved :

“ To substitute the following for the amendment which I have just read :

‘ That the following be included as clause (9) :

(9) They shall hold good only so long as the East Indian Railway, Great Indian Peninsula Railway and existing State-managed Railways remain under State management. In the event of negotiations for transferring any of the above Railways to a private Company being undertaken, those negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly ’.”

The Honourable Mover of that amendment has asked for permission to withdraw it.

Is it your pleasure to grant him leave to withdraw that amendment ?

The amendment was, by leave of the Assembly, withdrawn.

Further amendment moved :

“ That the following be added to the amended Resolution as clause 9 :

‘ In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But if in spite of the Assembly's Resolution above referred to Government should enter on any negotiations for the transfer of any of the above Railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above Railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution ’.”

Diwan Bahadur M. Ramachandra Rao (Godavari cum Kistna : Non-Muhammadan Rural) : Sir, I beg to move the addition of a further clause

as Part II to the amendment moved by Sir Charles Innes. It is in these words :

“ Apart from the above convention this Assembly further recommends :

- (i) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India.”

Sir, I may say that the subject matter of this clause was discussed at great length in this House and I need not say anything further in support of this amendment. The first clause reproduces the amendment of my Honourable friend Sir Purshotamdas Thakurdas and the substance of the second clause has been already proposed by Mr. Dnraishwami Aiyangar when the matter was under discussion the other day. The Honourable Sir Charles Innes has already given a sympathetic reply on behalf of Government and I do not wish to dilate further in support of these two amendments. I trust, Sir, that Government will be able to give effect to these two matters which every one of us has at his heart.

Mr. President : Further amendment moved :

“ To add as Part II of the Resolution :

‘ Apart from the above convention this Assembly further recommends :

- (i) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India ‘.”

The Honourable Sir Charles Innes : Sir, I would ask the permission of the House to make the position of the Government clear in regard to this amendment. As I said the other day, we have already accepted the policy of Indianisation of the Railway Services, and we have agreed to the recommendation of the Lee Report that the recruitment should be 75 per cent. Indians and 25 per cent. Europeans. I showed in my speech the other day that in the last three years we have exceeded these figures in both the Traffic and in the Engineering Departments of the State Railways. As regards the Railway Board, we have already recruited Indians for the staff of the Railway Board, that is, for the appointments of officers attached to the Railway Board, and I hope that we shall be able to continue this process. As each appointment becomes vacant, I will undertake that the claims of Indians are considered. I may mention that the Standing Finance Committee has just sanctioned an additional officer for statistical work in the Railway Board and that we are appointing an Indian to that post. As regards the Members of the Railway Board, I cannot bind myself to dates, as it must take time before there are Indians of the requisite standing and experience in the Railway Department for appointments to the Railway Board. But, as I pointed out the other day, the Railway Board is a purely technical body and does not control policy. As regards the Stores question, I laid on the table the other day copies of our orders on the subject, and I do not know whether Honourable Members have seen them. They have been placed, however, before the members of the Central Advisory Council. The position is that we have

circulated the new Stores Rules which were issued only in May last. We have circulated them to the Agents both of State and Company Railways and we have told these Agents that we expect them to carry out the policy of the Government of India as expressed in these rules. We have also discussed with Mr. Pitkeathly, the Chief Controller of Stores, the question of purchases through the Stores Department and we have come to an arrangement with him. We have written round to the Agents of all State Railways and of the East Indian and the Great Indian Peninsula Railways. We have informed them that we desire them to make use of the Indian Stores Department for their purchases generally, and particularly for certain classes of stores, with which Mr. Pitkeathly is immediately prepared to deal. Mr. Pitkeathly is leaving Simla to-morrow to follow this matter up by individual discussion with the Agents and Storekeepers of the different Railways mentioned. He has gone to see these officers with the object of discussing with them how best his Department can undertake business for them. That is the position at present and for the present I cannot go further. The matter is one in which Mr. Pitkeathly and myself are in the closest possible touch. It is an extremely difficult matter to graft a new Department of this kind upon the existing elaborate organisations which already exist for the purchase of stores in the different Railways, and the wisest thing that the House can do is to leave Mr. Pitkeathly and myself to manage the business in our own way. But I may mention for the information of the House that copies of all indents for stores sent Home by State Railways are scrutinised by the Chief Controller of Stores, and I am consulting the Chief Controller of Stores on the question whether we can tighten up this practice so as to prevent indents being unnecessarily sent to the London Stores Department. I have only to add that the question is merely one of machinery. The policy of the Government of India in regard to the purchase of stores has been clearly laid down by the Department of Industries and I shall make it my business to see that that policy is loyally carried out by that Department. (Hear, hear).

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadian Urban) : Sir, there are one or two lessons which we have to draw from the protracted negotiations which preceded and the satisfactory settlement we have come to on this most important question, which has been before us for a long time. The first and foremost lesson to be taken to heart is that if both the Government Benches and the non-official Benches can approach questions in a spirit of compromise, we can come to a satisfactory conclusion. And, if the Government will really embark upon a policy of taking the people's representatives into their confidence, they are sure to achieve results in a much better way than they can do on their own judgment.

The second point which I wish to emphasise is the distrust which we on this side have of the administrative policy so far as Railways are concerned. That distrust is deep-rooted and I may assure the Honourable Member in charge that anything that he may do to rapidly remove the grounds for such distrust will be most welcome. Sir, these are the only words I wished to say.

Mr. C. D. M. Hindley (Chief Commissioner, Railways) : Sir, in the heat of the debate on Wednesday, being very anxious to emphasise the undesirability of mixing politics with business, I was led to make certain

remarks about my Honourable friend, Sir Purshotamdas Thakurdas, which, I think, unwittingly on my part, perhaps may have hurt his susceptibilities. Sir, I wish to acknowledge in most grateful terms the valuable assistance which we have received on the Central Advisory Council and on other Committees, and especially in regard to this separation proposal, from the business ability, knowledge and experience of Sir Purshotamdas Thakurdas. (Hear, hear.) If, Sir, I have unwittingly hurt his feelings in this matter by emphasising his present connection with politics, I wish to modify what I said by expressing my belief that a man may be a very first class businessman and he may, at the same time, be a patriot. (*Mr. M. A. Jinnah* : " Might be a politician, too.") I wish, Sir, to acknowledge that whatever advice Sir Purshotamdas Thakurdas may have given to the House was based not only upon his profound business knowledge and ability but also on the highest patriotic motives.

Mr. President : The first question is the amendment last moved by the Honourable Sir Charles Innes proposing that a new sub-section (9) to the Resolution be substituted for sub-section 9 standing in the name of Sir Purshotamdas Thakurdas.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Sir, I am agreeable to withdraw my amendment, but I think it only fair that I should explain the reasons why I withdraw it.

The amendment which I now ask the leave of the House to withdraw is substituted by another amendment which I think provides the safeguards which I am anxious that this Assembly should insist upon. Whilst appreciating the remarks made by the Chief Commissioner I wish to add one word, and that is that the country and the representatives of the tax-payer in this House will make it one of their business hereafter to see that the Railways are put on the best basis possible to earn as much as they can compatible with all the other aspirations of the industrial and commercial communities in India, and with fullest consideration for third class passengers for whom this House is very anxious. With these words I have pleasure—in fact, I am very happy to be able to withdraw my amendment which, owing to Government's unbending attitude, threatened at one time to practically give a set-back to this very desirable administrative reform.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President : The question is :

" That the following be added as a new sub-clause (9) to the Resolution :

(9) In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But if in spite of the Assembly's Resolution above referred to, Government should enter on any negotiations for the transfer of any of the above railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution."

The question is :

" That these words be added to the Resolution."

The motion was adopted.

Mr. President : Further amendment moved :

“ To add as Part II to the Resolution the following :

‘ Apart from the above convention, this Assembly further recommends

- (1) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (2) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India ’.”

The question is :

“ That those words be added to the Resolution.”

The motion was adopted.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Sir, I should like to know the procedure you are going to follow in this matter, because the amendment which stands in my name, and which is numbered 4, relates to the preamble. That is not going to be moved by me nor the subsequent one, numbered. The only amendments that I propose to move is in regard to clause (6). If it is desired that I should not move my amendment to clause (6) before the amendments relating to the prior clauses which are set down in the name of other Honourable Members, I shall abide by your ruling.

Mr. President : I called upon the Honourable Member because I was given to understand through the usual channel that the four amendments standing in his name were an integral part of the settlement.

Mr. K. C. Neogy : I beg to move :

“ That the following amendments be added to the Resolution :

Clause (6) .

- (i) For the words ‘ two nominated official members of the Legislative Assembly one of whom ’, substitute the words ‘ one nominated official member of the Legislative Assembly who ’ ;
- (ii) For the word ‘ ten ’, substitute the word ‘ eleven ’ ;
- (iii) For the words ‘ two further nominated official members ’, substitute the words ‘ one further nominated official member ’ ;
- (iv) For the word ‘ five ’ wherever it occurs, substitute the word ‘ six ’ .”

The House will realise that this amendment is aimed at reducing the official representation on the Standing Finance Committee and the Central Advisory Council, and to increase the number of the elected representatives of this House thereon.

As I think my friend the Honourable Sir Charles Innes is going to accept this amendment, I will not take up the time of the House in discussing it.

The Honourable Sir Charles Innes : I wish to say that Government accept Mr. Neogy's amendment.

Mr. President : The question is :

“ That these amendments be made.”

The motion was adopted.

Diwan Bahadur M. Ramachandra Rao : Sir, on behalf of Mr. K. Rama Aiyangar I beg to move the following amendment :

“ That at the end of paragraph 2 of clause (6), the following be added :

‘ and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue ’.”

I understand that there is no objection to this amendment from the Government.

Mr. A. A. L. Parsons (Financial Commissioner, Railways) : Sir, I accept the amendment.

Mr. President : The question is :

“ That that amendment be made.”

The motion was adopted.

Diwan Bahadur M. Ramachandra Rao : Sir, on behalf of Mr. K. Rama Aiyangar I beg to move the following amendment :

“ That in clause (7) for the words ‘ in order that more time may be ’ the words ‘ and separate days shall be ’ be substituted.”

Mr. A. A. L. Parsons : Sir, I accept the amendment.

Mr. President : The question is :

“ That that amendment be made.”

The motion was adopted.

Mr. President : The question is :

“ That the main question be now put.”

The motion was adopted.

Mr. President : The question is :

“ That the amended Resolution, as moved by Sir Henry Moncrieff Smith, and as subsequently amended by the House, be adopted.”

The motion was adopted in the following form :—

“ This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues, on the money expended by the State on railways :

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.
- (2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year plus one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

- (3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve ; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.
- (4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues : to provide, if necessary, for arrears of depreciation and for writing down and writing off capital : and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.
- (5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
- (6) A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be Chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight elected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimates of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue.

- (7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget and separate days shall be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the detail it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.
- (8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years.
- (9) In view of the fact that the Assembly adheres to the Resolution passed in February 1923 in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed Railways remain under State management. But if in spite of the Assembly's Resolution above referred to Government should enter on any negotiations for the transfer of any of the above Railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above Railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution.

Apart from the above convention this Assembly further recommends:

- (i) that the Railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchase of stores for the State Railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India."

16th September, 1924.

RECOMMENDATIONS OF THE INDIAN BAR COMMITTEE.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Sir, with your permission before I make the motion standing in my name in regard to the Bill to consolidate and amend the Law relating to Legal Practitioners, I should like to know from the Government whether they intend to bring in a measure to give effect to the recommendations made by the Indian Bar Committee, and if so, I shall consider whether it is my duty to proceed with my Bill or await the action of Government. And if they intend to bring in a Bill, I should like them to give me an assurance that it will be at an early date.

Mr. H. Tonkinson (Home Department : Nominated Official) : Sir, I gather that my Honourable friend merely wishes us to state the action which we propose to take and are taking upon the Report of the Indian Bar Committee.

As has been explained, Sir, in answers given by the Honourable the Leader of the House, we have already consulted Local Governments and have asked Local Governments to consult High Courts and legal associations upon the subject of these recommendations. We are still awaiting replies from some of the major Local Governments. One Local Government have informed us a few days ago that the reason why they are unable to reply at present is the fact that the majority of the legal associations which they have consulted have not yet replied. I am sure, Sir, my Honourable friend will appreciate our position. We cannot decide until we have received the views of the learned profession of which he is so distinguished a member as to whether we shall be able to accept absolutely the recommendations of the Committee. We have no desire to postpone a decision upon these questions and we propose as soon as replies are complete to endeavour to come to conclusions upon them with the minimum of delay. Some of the recommendations of the Indian Bar Committee may be put into operation by the High Courts under the powers which are vested in them and certain High Courts are in fact taking action in this direction. As regards any recommendations which may ultimately require legislation, we confidently expect to be able to bring forward proposals for legislation in the next session.

Diwan Bahadur T. Rangachariar : After that statement, Sir, I do not propose to move the motion which stands in my name.

16th September, 1924.

THE INDIAN CRIMINAL LAW AMENDMENT (REPEALING) BILL.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhamadan) : Sir, I beg to move that the Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908, be taken into consideration.

Honourable Members will remember that when introducing the Bill on the 25th March 1924 I gave my reasons in support of my motion. Briefly stated, they were these. The Repressive Laws Committee in paragraph 26 of their report had reported as follows :

"We sincerely hope that it may be possible for Government to undertake the necessary legislation during the Delhi session, but it is impossible for us to make any definite recommendations on the point at present. We hope that the repeal of these Acts may be expedited by a healthy change in the character of the agitation going on at present. The duration of retention rests in other hands than ours."

This was the report of the Repressive Laws Committee dated the 2nd September 1921. The members of the Repressive Laws Committee had strongly recommended, as Honourable Members will find, that the repeal of the Criminal Law Amendment Act might take place during the ensuing Delhi session, that is to say, during the months of February and March 1922. It was up to the Members of the Repressive Laws Committee including the Government who were parties to that report, to bring forward a measure of legislation for the repeal of the Criminal Law Amendment Act. They did, indeed, introduce a measure for the repeal of certain repressive laws including Part I of the Criminal Law Amendment Act, but Part II of that Act still finds a place on the Statute-book. In the last Assembly the attention of Government was drawn to this recommendation and this obligation which rested upon them. But, unfortunately, the attempt failed. As one of the humble members of that Committee I feel that it is my duty to make good a recommendation to which I subscribed, namely, that the Criminal Law Amendment Act shall be removed from the Statute-book as soon as possible.

Well, Sir, I do not wish to go into the history of this Act once more. It was passed, as Honourable Members will see, in 1908, and if Honourable Members will turn to the report of the debates of that time they will find that the primary reason given by Sir Harvey Adamson who introduced this Act was the prevalence of anarchical crime in Bengal, and indeed throughout the country and the Bill was modelled upon two Bills popularly known as the Irish Coercion Acts, but with this difference that while the Irish Coercion Acts deal specifically with *mens rea* by introducing the term "knowingly becomes a member of the association and so forth", these words were omitted from the Criminal Law Amendment Act. A distinguished lawyer, no less than the late Dr. Sir Rash Behari Ghose, pointed out the difference and moved an amendment to that effect, but he was in a minority in those days because the Government had the majority in the Imperial Legislative Council and his motion was defeated. Now, Sir, when I introduced the Bill I stated that if there was any such crime in the country the ordinary laws, which had been strengthened since by the enactment of the conspiracy sections, were sufficient to deal with it. Sir Malcolm Hailey opposing my motion for introduction gave three reasons for opposing it, and I shall

confine my remarks at the present moment to dealing with those three points which he made on that day and to which I could not then reply. The first point was that this is a power given by the Legislature to the Executive and therefore the Executive are entitled to exercise it, to which I reply that the power was undoubtedly given by the Legislature to the Executive but it was given at a time when the Legislature was a branch of the Executive, and in any case the legislature can revoke the power it gave, and the more so since it has been unanimously condemned by the mixed Committee constituted by Government to deal with the repressive laws. The second point raised by the then Home Member was that the time was inopportune for the repeal of this enactment. Now, Sir, I wish to ask, when will the time be opportune for its repeal, and what are the conditions which must be established before Government would apply for its repeal? The reforms have been inaugurated by the Act of 1919. A different policy has been enunciated by Parliament. The old Imperial Council has ceased to exist and we are the pioneers of a future Parliament which is to take its place. I therefore submit that it is up to us as representatives of the people to declare whether the time is not now opportune for giving effect to the recommendation of a committee as thoroughly representative as the Repressive Laws Committee was. I further beg to say that while in 1908 there may have been some defect in the statute law of the country to deal with organised conspiracies to overawe the established Government, the Statute-book has been strengthened by the enactment of two sections known as the conspiracy sections added to the Indian Penal Code. It has been said, and I have no doubt it will be said again, that the standard of proof required to bring an offender to justice under the conspiracy sections is far too high and that therefore some measure of the character of Act XIV of 1908 is required to arm the Executive with the power of dealing with organised conspiracies. Well, Sir, I am speaking here as a lawyer and I ask those who study its provision to say whether it is not a fact that if you have no proof to establish a conspiracy you have no case at all to convict a member thereof and if you have proof you will be able to bring him to justice under the ordinary penal law of the country. The Honourable Sir Malcolm Hailey said that this House while repealing the Criminal Law Amendment Act was offering the Government no substitute. I have already dealt with this point and I have pointed out that there is a substitute existing on the Statute-book which the Government are loath to resort to merely because they think that some evidence is required and the ordinary procedure laid down for the trial of offenders by the Code of Criminal Procedure would have to be followed. It is for this House to declare whether it is a right and proper thing for the Executive Government in this country to assume the role of judges in cases in which they are substantially the complainants, and I therefore submit that the existence of this Statute is repugnant to the primary principle of criminal jurisprudence as known to the lawyers of this and indeed of any country. I therefore beg to submit that since 1908 and indeed since 1921 when the Repressive Laws Committee penned their report, the political situation in this country has improved and if it has not greatly improved it is not due to any defect on the part of the legislature but it is due to an agitation kept up for the purpose of enlarging popular liberties, and if there are sporadic cases of anarchical crimes in any part of India, the ordinary machinery of the law is sufficiently strong to

deal with it. On these grounds, Sir, I feel fortified in asking this House to accept my motion to take my Bill into further consideration. I move it.

The Honourable Sir Alexander Muddiman (Home Member) : I think it will be well if I rise at this early stage to deal with this motion. The matter is one of very great importance. I may assure this House that speaking personally I am one of those who regard anything in the nature of legislation which is in excess of the ordinary criminal law and involves the conferment of special powers on the Executive Government with the greatest suspicion. That is my training. That is the school in which I have been brought up. I agree that where one opposes a motion of the kind brought forward by my Honourable friend one is arguing a case which requires special justification. I admit all that. But, Sir, one has to consider that there are situations where special provisions are needed to meet special cases. There is one overriding law that overrides all laws and that is *vox populi suprema lex*. There is one function that every Government must perform and that is to see that the law is maintained. If it cannot be maintained by the ordinary methods it must be maintained by other ways. That is a primary function of all Governments be they responsible or irresponsible. When the arm of the law is made powerless, whatever from that takes and rights cannot be enforced, the state ceases to function and a Government that is so faithless to its primary duty ought to cease to exist. That, Sir, is on the general point. I certainly am one of those who believe that whatever measures may be necessary to preserve the State from anarchy, those measures must be undertaken and I am sure that there is no one in this House, however much he may differ as to methods, who will affirm to the contrary. It may be said that "this law is unnecessary. You do not want it." I am quite sure that if I can convince this Assembly that this law was and is necessary for the maintenance of law and order and for the prevention of anarchy then I shall have the vote of every Member in this House. My Honourable friend Dr. Gour has dealt very shortly with the history of this law. I must go into it in a little more detail. It was enacted as you all know in the year 1908. It was brought forward by Sir Harvey Adamson who was then Home Member and the ground on which he brought it forward was that it was necessary to deal with an anarchical conspiracy in Bengal. Now, with regard to that I have never heard it contested that that conspiracy did not exist, that it caused great suffering, great loss of life throughout Bengal. That, I think, is admitted. No one has ever denied it and I do not think it necessary at this stage to revive old histories and old troubles. I think the House would admit that in the period following there was a most serious outbreak which led to great loss of life, great destruction of property and all the evils that follow when law breaks down. Now, my Honourable friend made a great point of the fact that the repeal of this law was recommended by the Repressive Laws Committee, as it is so called. I understand he refers to a Committee which was presided over by Sir Tej Bahadur Sapru of which my friend Sir William Vincent, who was then Home Member, was a member. I will read what that committee recommended in regard to this Bill.

"As regards the Indian Criminal Law Amendment Act, 1908, it has been suggested that sections of the Indian Penal Code are sufficient to cope with any situation that is now likely to arise. It is generally accepted that Part I of this Act has

failed to achieve in Bengal the purpose for which it was designed. As regards Part II, the conspiracy sections of the Indian Penal Code might meet the case if, but only if, evidence were forthcoming. It was in no small measure the impossibility of obtaining evidence owing to the intimidation of witnesses that led to this enactment. As we have already seen, there is definite evidence of certain organisations encouraging acts of violence or resorting to intimidation."

Then they go on to deal with the situation in Delhi and in other parts of India. I will read what they say :

"We have received information of a possible recrudescence of secret associations in another part of India. It has also been stated in evidence that Bolshevik emissaries have entered in India."

I ask the House to note that last remark :

"and we cannot overlook the possibility of illegal associations promoted by them terrorising the population and engaging in a campaign of crime and terrorism. Its object is not only to break down existing unlawful associations but to deter young and comparatively guiltless persons from joining these bodies and to discourage the supply of pecuniary assistance. We regret that we cannot at this juncture recommend the immediate repeal of Part II of this Act."

That was their recommendation. I have read that to the House because it has been put forward that Government was under some kind of a pledge to this Committee. I submit that is not so. They said simply that the time was not ripe to repeal the Act.

Dr. H. S. Gour : May I ask the Honourable the Home Member to read on further. In the next paragraph they say it should be recommended to be repealed.

The Honourable Sir Alexander Muddiman : I cannot find that.

Dr. H. S. Gour : I have got it here, Sir.

The Honourable Sir Alexander Muddiman : If the Honourable Member will give it to me I will consider it later, but it is not in my copy in the paragraph from which I was reading. Then my Honourable friend did not refer to a matter of some importance. He said this Act was passed when the Legislature was a branch of the Executive. Sir, I demur to that. At any rate, this Act has been before this Assembly on a previous occasion. In the last Assembly on the 3rd July 1923 a motion was introduced recommending the repeal of that Act. That motion was rejected. The House would not even grant leave for its introduction. That is a matter of some interest. It shows at any rate that it did not merely rest on the authority of the pre-war Council. (*An Honourable Member :* "Not here!") It was not this Assembly which threw out the motion, but I am perfectly justified in pointing out that it was not merely the pre-War Council that dealt with this Act. I am justified in saying that I do not wish to put my case one inch higher than this, but I am justified in going so far as to say that by refusing leave to introduce, the last Assembly recognised the necessity—at any rate at that time—for the existence of the Act. I think it goes as far as that. We are now faced with the consideration of this Bill and I understood my Honourable friend to base his contention very largely on the suggestion that the state of India is at present so peaceful that it is possible without danger to the Executive to repeal the Act. Well, Sir, is the state of India so peaceful? I will deal with that later but that was what I understood my Honourable friend's contention to be. Now the wheel of fate turns in a curious way at times. This Act was introduced to deal with anarchical crime in 1908. This is the year of grace 1924. Now I am going to

read to the House a few facts as regards the present situation in Bengal. I will employ no arguments and let the House draw its own deductions. Sir, you say in your noble Doric of the North : " facts are stern things and winna ding " and if you will excuse my Southron pronunciation, I will apply that to what I am now going to put before the House. My predecessor Sir Malcolm Hailey in his speech on the motion opposing the introduction of this Bill said :

" I do not wish to suggest to the House that the whole of these circumstances may recur ; but no attempt has been made in this House to deny the fact that there has lately been a recrudescence of revolutionary conspiracy in Bengal, and those who know the details of that movement will recognise that it is directed by the same associations as directed it in 1908, and that those associations have the same motives, and the same objective of murder and assassination as they had at that date."

Now, Sir, that is a grave statement to be made by a responsible Member of the Government—the Member most interested and charged with the protection, the defence of law and order. It is a statement that requires substantiation and I will endeavour to substantiate it. These are the facts. I will not take the House back beyond well within the year. The first fact I will draw their attention to is that on the 14th December a dacoity was committed in the Chittagong district in which Rs. 17,000 was stolen from a hackney carriage. The money belonged to the Assam-Bengal Railway, and the dacoits who committed that offence were *bhadra log*. I do not propose to mention any names. On the 24th December, 10 days afterwards, pistols and cartridges were recovered by the police in a scuffle with certain men. That is nothing in itself but what is of the very greatest importance—and I invite the attention of the House to it—is this, that the cartridges were cartridges of a type which cannot be bought in India. Therefore they were illegally imported cartridges. That is the point. Sir, on the 11th of January 1924, a harmless European Mr. Day was shot in Calcutta in mistake. The facts are known. The outrage was directed really at the Commissioner of Police, our chief Police Officer in Calcutta, Mr. Tegart ; and here I pause to say that Mr. Tegart's services to Government have been of the most remarkable character, and even those with whom he comes in conflict will bear witness to the fairness and courage with which he has conducted his operations. Now Sir, what was the cartridge used ? It was again a cartridge that cannot be bought in India. It was a cartridge of the same kind as was used in the second Chittagong dacoity. On the 15th March the police searched a house in Calcutta, when very dangerous bombs were discovered, two men were sent up for trial and they received long terms of imprisonment. These were not toy bombs made in the bazaar, but bombs made by someone skilled in the art of making bombs and of a most dangerous character. I proceed with the story. On the 30th of March one of the Mauser pistols which were stolen from Rodda in 1914 was recovered. The person implicated was convicted under the Arms Act. Now the House is aware that in the year 1908 a parcel of 50 pistols was stolen from a gun-maker in Calcutta—the firm of Rodda. The recovery of those pistols have involved a very heavy loss of human life, and they have been used in many murders that have taken place in connection with anarchist crimes. On the 13th April an attempt was made to shoot a European named Mr. Bruce ; here again there was no doubt whatever that the attack was really directed against Mr. Tegart who was Commissioner of Police in Calcutta ; the unfortunate Mr. Bruce had nothing whatever to do with politics or anything of the kind ; the attack was apparently committed

because from the colour of his car he was taken for the Commissioner of Police.

On the 25th of May an unfortunate sub-inspector of police, Profulla Chandra Roy, was shot down as a result of performing his duty in arresting certain persons ; there was nothing whatever against him beyond that ; he was shot down like a dog. On the 13th of June an arrest was made of a man with a loaded revolver and thirty cartridges and he was convicted under the Arms Act. Towards the end of June Red Bengal leaflets were circulated in Calcutta. These leaflets advocate the murder of police officers, and terrorism and offer threats to all those who assist the Government in any way in repressing revolutionary crime. These leaflets were again widely distributed during a protest meeting which was held in connection with some observations that had been made by Lord Lytton which had attracted public attention. Taking advantage of the feeling against the Governor of Bengal these murderous leaflets were circulated again and I may tell the House that the circulation of similar leaflets was an incident in the previous trouble in Bengal and shortly after their circulation outrages were committed. On the 23rd August a bomb outrage was committed in Mirzapur Street, Calcutta, in which one innocent person lost his life. The accused is under trial and I will say no more about it except that the instrument of death was of a most dangerous character and evidently prepared by a man who was skilled in the work.

Those are the facts, Sir, that I lay before the House and I think the House could draw their own conclusions from it....

Dr. H. S. Gour : I am sorry to interrupt the Honourable the Home Member ; but is the Criminal Law Amendment Act in force in Bengal ? It is not.

The Honourable Sir Alexander Muddiman : The Indian Criminal Law Amendment Act extends to the province of Bengal and Eastern Bengal and Assam ; but it may be extended by the Local Government in any other province.

Now, Sir, I state those facts to the House not to create prejudice, not to lay any undue stress on them. I do not suggest that taking India as a whole things are not better than a few years ago. If a tiger kills in the jungles of Bengal or the red cock crows on the ruined houses of Kohat, the Government of India must recognize the immense size of the country. I have mentioned these *crimes* to call the very serious attention of the House to the position in one part of India.

Now, Sir, let me read to you the opinion of a gentleman who is, I understand, the leader of the Swaraj Party in Bengal. What does that gentleman say ? He gave an interview and I understand that what he said was revised by him—so it is not a mere careless statement. The interviewer apparently asked him “ You think, then, that there is an anarchist movement in Bengal ? ” “ Undoubtedly ” replied Mr. Das, “ and a much more serious anarchist movement than the authorities realise.” If it is more serious than we realise—I have no means of checking that because it is very serious—then, Sir, that establishes my point, that as regards Bengal my predecessor Sir Malcolm Hailey’s statement was perfectly correct and indeed an understatement of the case.

Now, Sir, what is the view of the House on a point like this ? As a government we are threatened with an anarchist conspiracy which we are told is more dangerous than we are aware of. At a juncture like this are we to throw away any weapon in our hands ? Would we be justified in doing so ? That is the point I should like to put to the House. We have the responsibility of maintaining law and order. I fear that perhaps an Act like this will not be sufficient ; but are we justified in rejecting any power we have ? Can we be fairly asked, when we have these troubles in front of us, to repeal this Act ? And, mind you, my Honourable friend offers no substitute. He says " No ; the Act must go ; there is no trouble in India ; you can deal with any trouble by the ordinary law." Now, Sir, is that true ? Can organised associations devoting themselves to crime be dealt with by the ordinary law ? Can the ordinary law deal with terrorism of witnesses and the like ? I submit it is not so. No one would be better pleased....

Dr. H. S. Gour : To enable my Honourable friend to develop his argument, may I say that I have offered a substitute, namely, the Criminal Law Amendment Act of 1918, known as the Conspiracy Act, which adds sections 120A and 120B to the Indian Penal Code ?

The Honourable Sir Alexander Muddiman : I thank my Honourable friend ; but I will read to the House what he himself says in his own book on the Penal Code in regard to evidence in conspiracies :

" Direct evidence is seldom available to prove a conspiracy ; even when available it is tainted as being the evidence of an accomplice and requires corroboration."

If, Sir, I could be satisfied that by ordinary prosecutions we should be in a position to deal with the situation that may arise I should be in a very different position. I do not believe it.

I now proceed to the second part of my argument. I think I have said enough to show to the House that this is no mere chimera that I am creating regarding the situation in Bengal. It may be said and no doubt it will be said that this Act has been misapplied and misused. Let me quote what has been said by a Local Government on the point :

" The Act has been used to proclaim certain associations unlawful. This step was not taken a moment too soon. Intimidation, forcible seizure of lands, subversion of the Government by creation of courts, barbarous punishments inflicted upon those who failed to obey the orders of these courts, were all common."

Now, in a situation like that the ordinary law is not sufficient. For more than two years the Punjab Government took no action. It was not till October 1923 that action was taken. Now, Sir, if action had not been taken what would have been the result ? If this law was not available, we would have had to have another like it. I shall not develop that point further. What I say is this ; these repressive laws—I will not say repressive laws, because all laws are repressive—these laws which confer extraordinary powers on the Executive are often a half-way house which prevents outbreaks, leading to far more serious results. Let me put that point. It may be said and it will be said no doubt that action of this kind is not only open to criticism but in itself is apt to act as an irritant causing further trouble. Sir, that I cannot accept.

I come back to my original proposition that it is the duty of the Government to maintain law and order. If the ordinary law fails, then extraordinary expedients will have to be used. Now, I have tried to deal

with this question perfectly frankly and I have told the House what is in my own mind. I have told them what is the situation in Bengal and I ask them to consider whether if they were responsible for the maintenance of law and order in India they would consent to the repeal of this Act. I doubt it, Sir. If the House should proceed to the step involved by the acceptance of my Honourable friend's Resolution, it will be taking on itself a very grave responsibility, and I hope that wiser counsels will prevail.

Mr. H. E. Holme (United Provinces : Nominated Official) : Sir, it has been somewhat of a puzzle to me, ever since I had the honour of becoming a member of this Assembly, why some Honourable Members are practically always identifying the interests of the public with those of the criminal, or at any rate of the law-breaker. The principle of the maxim that "it is better that 100 guilty men should be acquitted than that one innocent man should be convicted is ridden absolutely to death while the complementary maxim *judez-damnatura, cum nocens absolvitur* (it is the Judge who is condemned when the guilty man is acquitted) is entirely lost sight of. It seems to me that this attitude of mind is part of an anti-Government complex due to a throw back of the sub-conscious to the bad old times, both in England and in India and in other countries as well, when the administration of justice was corrupt and much of the law was harsh and unfair, and when the only means of escaping from very detestable and shocking tyranny and despotism seemed to lie either in secret undermining of authority or open revolution. But the transfer of the same point of view to the present state of things in India, where we have a Government which, even though it may make mistakes, is always devoting its most strenuous efforts to what it considers to be the good of the country, and which indeed occasionally fills some of us with something like alarm lest in the concessions it makes to popular feeling it should prove to have gone too far for safety,—under such conditions we are surely doing harm and not good by attempting to deprive the Government of any weapon essential to its existence. Moreover, we do not wish that the future Indianised administration should be placed at a disadvantage by being presented with a weakened and ineffective form of government. We desire, on the contrary, that it should be given every chance by being provided with a framework of administration of the greatest possible strength and efficiency. It is time that we made up our minds whether we consider that the present Government of India is a well-meaning though you may choose to say defective institution which is capable of,—if you like, calling for—improvement by constitutional means, or whether the Government is an enemy which must be resisted by every possible method. If we hold the former opinion, we should hesitate to release those who are pledged to subvert all authority and order, while if we consider that the Government is our bitter enemy, we might at least come out into the open and say so ; let us admit that we are urging the repeal of the Criminal Law Amendment Act and the release of those imprisoned under it, not because we consider that they have been unjustly convicted or that they can be released without danger, but because we hope to secure the assistance of persons who will be powerful, if unscrupulous, auxiliaries in our campaign against the Government. But in such a case, we should not complain of or reproach the Government because they do not accept or act on Bills and Resolutions expressly designed to hamper them in their activities, to interfere with their usefulness and to bring about their destruction. As regards the contention

that the present is a specially opportune time for the repeal of Part II of the Criminal Law Amendment Act, surely the present activity of Bolshevik and revolutionary propaganda, as has been pointed out, is a clear indication pointing to an opposite conclusion. No one should wish to encourage individuals or associations :

“ which encourage or aid persons to commit acts of violence or intimidation, or of which the members habitually commit such acts or which have for their object interference with the administration of the law, or with the maintenance of law and order, or which constitute a danger to the public peace.”

It is, however, contended that the ordinary law is sufficient for such cases, but it has been clearly brought out that the ordinary law must act on legally admissible evidence and in accordance with a standard of proof which it is impossible to attain when the evidence which would otherwise have been available is prevented from being produced by secrecy or intimidation. I see that the amendment which is down on the paper appears to recommend the release not only of prisoners convicted under Part II of the Criminal Law Amendment Act, but also of those dacoits, murderers and other criminals who have been convicted under Part I.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : May I tell my Honourable Friend that that is not my object ? My object is to confine it to Part II. I am sorry that that was not made clear in the amendment.

Mr. H. E. Holme : That appears to me to be the effect of the amendment even if it was not the object of it. Surely this is not the time to let loose all these dangerous enemies of society upon the public. Sir, I oppose the motion.

Pandit Madan Mohan Malaviya : Sir, I rise to offer my support to the motion that the Criminal Law Amendment Act of 1908 be repealed. The Honourable the Home Member has told us all the reasons he could urge against the motion. He has told us that the welfare of the people is the supreme law. I do not think anybody will take exception to that. He has also told us that this particular law was introduced in 1908 because of the conditions which then existed in Bengal. We are not concerned with those conditions now. He has reminded us that the last Assembly turned down a proposal which sought to recommend the repeal of this very Act in 1923, and he said that that meant that the Assembly affirmed the necessity of keeping this law alive at the time they did so. Lastly the main argument which he advanced for keeping up this law, for continuing this law on the Statute-book was the incidents which took place in Bengal during the last 12 months. I am not aware that this Criminal Law Amendment Act, Part II, has been used against any associations in Bengal during the last 12 months. I asked my Honourable friend for information on this point and the Honourable the Home Member has not given any information that it has been so used. It comes to this then, that there have been a certain number of dacoities in Bengal during the last 12 months. Does that give any justification for continuing this particular law on the Statute-book ? Have those dacoities been dealt with under the ordinary law ? My Honourable friend has not told us that the ordinary law was not applied in these cases. He has not told us that this particular law was put into use in order to prevent the formation of dangerous associations or for the purposes of breaking them. I take it that dacoities have taken place in Bengal not only during the last 12 months but they

have taken place on other occasions also. Occasionally dacoities do take place in different parts of the country but the occurrence of these dacoities does not afford my justification for continuing this law on the Statute-book. The position then is this, that except in Bengal, except for the incidents relating to Bengal which the Honourable the Home Member has mentioned, he has not told us of any disturbed condition in any other part of the country which would justify his opposition to the motion of Dr. Gour. On the contrary he remembers and the House remembers, that the Act in question was passed in 1908 under the special conditions which then prevailed. That was the period which followed the partition of Bengal. There was a strong agitation going on against the partition of Bengal with the desire of having the partition undone. The Act was passed in 1908. His Majesty the King Emperor honoured India with a visit in 1911 and he was pleased to undo the partition. The two Bengals were reunited. Anarchical and revolutionary crime very much disappeared, if it did not entirely disappear in Bengal. The years that followed did not witness any such organised and dangerous associations as the Act of 1908 was contemplated to deal with. We had peaceful times during the many years of the war. It is a remarkable fact that during the many years of the war there was very little crime, anarchical or revolutionary, in this country. That was a circumstance which was noted by Government and by non-official public men. Three years after the close of the war, when His Royal Highness the Prince of Wales visited India, in November 1921, the Government of Bengal, the Government of the United Provinces, the Government of Bihar and the Government of the Punjab extended Part II of the Act of 1908 to their respective provinces. We know the unfortunate occurrence that took place in Bombay on the arrival of His Royal Highness the Prince of Wales. These occurrences did not take place in Bengal, but while the Bombay Government kept its head cool even after what had occurred after the arrival of the Prince, the Bengal Government went into a panic and extended the Act in question to Bengal. It declared Congress Volunteers an unlawful association. As a protest Mr. C. R. Das and about a thousand other gentlemen immediately declared themselves as Congress Volunteers.....

The Honourable Sir Alexander Muddiman : I am very unwilling to interrupt my Honourable friend. This Act applies to Bengal *proprio vigore*. There is no question of extending it.

Pandit Madan Mohan Malaviya : I beg your pardon.

The Honourable Sir Alexander Muddiman : The Honourable Member said that the Bengal Government extended the Act. The Act applies to Bengal *proprio vigore*.

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhamadan Urban) : Is it not the fact that a notification of the Government was issued saying that it applies to a particular association ?

The Honourable Sir Alexander Muddiman : That is certainly the case. The Honourable Pandit said that the Act was extended to Bengal.

Pandit Madan Mohan Malaviya : I fear the Honourable the Home Member has not been correctly informed.

My recollection is that there was a notification published by the Government of Bengal on the 18th of November 1921, extending.....

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Not extending declaring associations unlawful.

The Honourable Sir Alexander Muddiman : Yes, that is correct.

Pandit Madan Mohan Malaviya : Thank you. Declaring the Congress Volunteers an unlawful association. Now, Sir, from 1908 to 1921 covered a long distance of time, and it was most regrettable, most deplorable, that an Act which was meant to deal with the dacoits and anarchists of 1908 was applied to such honourable men as Mr. C. R. Das and a thousand other workers of the Congress who joined with him in making a protest against the declaration that Congress Volunteers were an unlawful association. At the same time the Act was applied to Congress Volunteers and similar associations in other provinces. His Royal Highness the Prince of Wales left India after four months sojourn in India, and it was hoped that the notifications against Congress Volunteers would then be withdrawn. They were not so withdrawn. We find the Government unwilling even at this distance of time to do without the Act we find the Government of India and the Local Governments still desire to keep up this Act on the Statute-book. Now what is the justification for it ? I say there is none. The Honourable the Home Member has not referred to the Province where this Act is being misapplied in a shameful manner to-day. I understand nearly 500 persons who are not dacoits, who are not anarchists, are undergoing imprisonment in the Punjab at this moment, under the provisions of Part II of this Act of 1908. They are men who were recognised by the Government only a short time—a year or so ago—as being representative of a large section of Sikh religious opinion. They were members and office-bearers of the Shiromani Gurdwara Prabhandak Committee. By June 1923 the Government of the Punjab had practically settled their differences with the Sikhs of the Gurdwara Prabhandak Committee. They not only recognised them as representatives of Sikh religious opinion, but they also released a large number of the Gurdwara Prabhandak Committee prisoners in appreciation of the help given by that Committee at the time of the unfortunate disturbances at Amritsar between Hindus and Muhammadans. Yet a few months after—in October 1923—the Government of the Punjab all of a sudden issued an order declaring the members of the Gurdwara Prabhandak Committee an unlawful association. There is no other charge formulated against the men I am referring to. The mere fact that they are members of that Committee has been sufficient to prosecute them, and I understand that about 500 of such men are undergoing imprisonment to-day. Nobody has said that even one of these members of the Gurdwara Prabhandak Committee is a dangerous person in any sense of the word ; these men I am speaking of have been convicted and imprisoned merely because the registered association to which they belonged had been declared by Government to be an unlawful association under the provisions of this Act. I submit, Sir, that when an Act which was meant for anarchists and revolutionaries is being applied to punish and to break the spirit of men who have committed no crime, it is high time that the Act was repealed, that this weapon was taken away from the hands of the Government, because the Government have shown that they have not carefully, honourably, honestly used this weapon. In the circumstances the question for the House to consider is whether there will be any injury done to the cause of law and order if this weapon is removed from the Statute-book. **The Honourable**

the Home Member has not shown that any such injury will be done. The ordinary law of the land is sufficient to cope with cases of dacoity, of violence, of murder and of conspiracy against the King. Offenders can be tried, they have been tried, in different parts of the country under that law, and it has not been shown that there has been a failure of justice because of the insufficiency of those laws. This being so, Sir, it is obvious that justice demands, the principles of good government demand, that this extraordinary law should be removed from the Statute-book. The Honourable the Home Member has urged that at a juncture like this we should not ask for this law to be repealed. The juncture to which he referred was the situation which exists in Bengal. I have already said enough about that situation and in the absence of any evidence that the state of affairs in any part of the country requires the continuance of this Act on the Statute-book, it is fair and reasonable and just that it should be removed. My Honourable friend said that these laws were half way houses to prevent outrages. They have not been proved to be so. On the contrary during the last three years we have seen this particular Act applied to persons to whom it should never have been applied. My Honourable friend Mr. Abhayankar has already referred to the regrettable fact that the Honourable Pandit Motilal Nehru and his compatriots in the United Provinces were also hauled up under this evil enactment. When you find that men who were leading the country in Bengal, the United Provinces and the country generally, when you find that such men have been made the victims of this enactment, I submit that that fact alone is sufficient to justify the demand that such an enactment should be removed from the Statute-book. I very respectfully ask the Honourable the Home Member and every other Member who supports the continuance of this law on the Statute-book, to show in what cases of associations of dangerous men this law has been applied during the last three years, to analyse those cases and to say whether the maintenance of law and order would have suffered in the least degree if this law had not existed on the Statute-book. This being so, I submit, Sir, that this law ought to be repealed. I will not deal with the amendment, at this moment. Unfortunately I did not put in the words "Part II" in the notice of the amendment which I gave some months ago, my object was clearly that all prisoners undergoing imprisonment under Part II of the Act should be released, but I will not complicate the question at this moment by discussing that amendment. Two days after a Resolution is coming before this Assembly dealing with the question of the release of political prisoners. I will reserve my remarks on the subject of the release of prisoners for that occasion. For the present I will conclude by saying that the principles of good government, fairness to the people, justice to the people, demand that this enactment which was never meant to be applied to ordinary times and which has been misapplied, as I have said, in a shameful manner in many parts of the country, should be removed from the Statute-book without a moment's further delay. I hope the Government will yet reconsider their view, and that they will respond to the general wish in the country, which is not affected by the remarks of Captain Hira Singh who, I regret to say, has got into the habit of reading notes—(*An Honourable Member* : "which are supplied by someone else") I will not say which are supplied by someone else—I will leave it there—of reading notes on subjects which come up for discussion, for the special edification of some Members, I am afraid, of this House. The Assembly

can take his remarks at their proper value ; but the country, Sir, is unanimous in desiring the repeal of this enactment and I hope the Government will honourably accept the unanimous verdict of the country and repeal it without any further delay.

Sir Chimanlal Setalvad (Bombay : Nominated Non-Official) : I wish, Sir, to say a few words in this debate. I wish the House to realise what the nature of the legislation is which is asked to be repealed. Part II of the Criminal Law Amendment Act, 1908, defines an unlawful association as follows :

“ Unlawful association means an association :

- (a) which encourages or aids persons to commit acts of violence or intimidation or of which the members habitually commit such acts,
- (b) which has been declared to be unlawful by the Local Government under the powers hereby conferred.”

So that an association becomes according to this definition an unlawful association, first, if it is shown to encourage or aid persons to commit acts of violence or intimidation or of which the members habitually commit such act or secondly, it may become an unlawful association if the Local Government declare it to be unlawful. Then, if an association is unlawful by reason of its falling within description (a) or by reason of its having been declared under (b) to be unlawful by Government, then, under section 17 any person taking part in the meetings of such association or contributing or receiving or soliciting contribution is liable to be punished. The difficulty, therefore, Sir, that arises is this, that the Government have the power to declare any association to be unlawful and section 16 says that the Local Government may make such declaration if it is of opinion that any association interferes or has for its object interference with the administration of the law or with the maintenance of law and order or that it constitutes a danger to the public peace. Then they can make a declaration. But the final word with regard to the declaration rests with Government itself. Government may be acting on such information as may be available or be placed before them by their officers ; and still one can well conceive of cases in which the association or person affected may really not be unlawful in the sense intended by the Act, and there is no remedy, so far as the declaration of the Government is concerned. The association affected cannot get the matter tested at all in any court of law and that, I submit, Sir, is a grave defect in the Act as it stands at present. I quite recognise that it is necessary to clothe the Executive Government with an emergency power to deal with a situation contemplated by the Act ; but their word that any association is unlawful should not be final. We know by experience that as a matter of fact various associations, volunteers and others, were declared to be unlawful by Government and various people were prosecuted by reason of their having belonged to such associations and were sent to jail in very large numbers in Bengal and the United Provinces. Therefore, what one feels is this, that there ought to be some safeguard in this Act which will enable the association or person affected to have the view of Government about its being unlawful tested by some judicial authority. I quite agree that the initial step may be taken by Government on their own initiative on the information placed before them in an emergency ; but the party affected should have the right of appealing to a court of law and having the declaration of the Government tested and it should be open to the association concerned to be able to show to the court by evidence that it is not

of the character contemplated by the Act, in which case the court to whom the jurisdiction is given over the matter will make a declaration that the declaration of Government is not valid. If Government are prepared to accept this suggestion that I have ventured to put forward and if they tell us that at a later stage they will bring forward legislation to amend the Act as it stands in order to introduce some such safeguard as I have indicated, then I think there will be no harm in leaving this emergency power in the hands of the Government. But I do most earnestly say, Sir, that some such safeguard is absolutely necessary. As the Act stands at present, the mere declaration of Government is final and nobody can question it. But as I say we can conceive of cases in which Government may have been mistaken ; the information placed before them may not have been correct and injustice may be done. Therefore I do urge that Government should at an early date bring forward some such legislation introducing certain safeguards in the manner I have indicated in this Act. If that is done, I for one see no harm in leaving the Act on the Statute-book with that safeguard introduced therein.

Pandit Motilal Nehru : Sir, I do not intend to make a speech. I take part in this debate simply with the object of uttering a warning—a two-fold warning, a warning to the House and a warning to the Government. My Honourable friend, Sir Chimanlal Setalvad, has just concluded a very able criticism of the Act based upon the language and the lack of safeguards. Let me clear the ground at the very outset by saying that I strongly dissent with the milk and water substitute that he has suggested to the Government. Even if the Government are prepared to accept his suggestion, I hope the House will not agree to it. Now, the warning that I wish to give to the House is this, be not led away by the plausible argument which has been addressed to you by my Honourable friend, the Home Member. What does that argument come to ? The wonder is that it has been advanced seriously in a House composed as this is. He says that the ordinary law is not sufficient. Now, please analyse this ; what does it mean ? What is ordinary law and what is extraordinary law ? What is a special law ? What is an emergency law ? In order to answer any of these descriptions they must in the first instance be laws. You cannot have something which has no claim to be recognised as law to be called an extraordinary or a special law to meet an emergency. It comes to this. When a confession of this kind is made by the Government, namely, that the ordinary law is not sufficient to meet the exigencies of the case, it really means that we have failed in the art of government, that we cannot govern you any longer and therefore we must—what ? administer the law strictly ? No. We must be permitted to break the law in the name of the law. Here are anarchists. We are sorry to confess that we cannot catch them—we cannot stop them—we cannot annihilate them. What are we to do ? We do not know what and how to do it under the law. The magnificent system of law and jurisprudence which has been handed down in England from generation to generation and which is the just pride of the England of to-day, is insufficient for us to meet the requirements of the case. What then is to be done ? Obviously this, against one set of law-breakers you must by giving us authority to break the law create a set of licensed law-breakers. That is what it comes to. What is meant by the insufficiency of the ordinary law ? Is there any crime, any conceivable thing that law, if it can claim to be law, cannot and does not anticipate ? And what does this insufficiency of the

ordinary law consist in ? It consists in the inability to find evidence to convince any honest man that a particular man is guilty. That is the insufficiency. Well, I say if you are unable to deal with a case under the law, under the magnificent system of law which prevails in England and which you have imported into this country, you must at once confess that you have no business to be in this country and give up all your pretensions to rule us as a subject race.

Then, the Honourable the Home Member says " Oh give us a substitute for the ordinary law." Now, the ordinary law has sometimes failed in other countries too. What is the substitute resorted to ? I can understand that, if things go from bad to worse, the ordinary law is suspended and you institute martial law or something of that nature for a time. But I cannot understand the ordinary law to go on side by side with the extraordinary procedure subversive of all laws that was laid down in this Act. And then, please note what the argument comes to. My learned friend will excuse me if I say that all arguments so far advanced in support of this Part of the Act are mere pretences, mere camouflage, to keep it in force not for the purpose alleged but to meet quite a different set of circumstances which has arisen in the past and may arise in the future ; not the conditions which really obtain in Bengal but those which may arise anywhere in India. Why do I say that ? Will anyone in this House tell me how is Part II. of this Act, which still is the only Part in force to be applied against any conspiracy, any anarchical movement ? What is to be done under it to deal with such a movement ? The Part of the Act which really did apply to these movements was Part I which has already been repealed. Part II deals with unlawful associations, whether you know their names or not. And what do you do ? The Government issue a notification that such and such an association is an unlawful association. Is it possible to conceive that any anarchical association, any secret society, will ever be known to the Government in that sense and the Government will issue a notification against that society ? Has it ever been done ? Can you conceive, can any practical man conceive, that a secret society will act in such a manner that the Government will be able to issue a notification ? And, if the Government are not able to issue a notification what happens ? Why anarchical crime is committed. And when it is once committed, you have to catch the offender just as you would any other offender, whether this Act is applicable or is not applicable, whether it is in force or is not in force. The whole argument of my learned friend is based upon the list of outrages which have recently happened in Bengal. I put it to him and to every Member of this House to tell me, how any of those outrages could have been stopped by the application of Part II. If a man is caught red-handed or if he is subsequently traced and put on his trial and if Part I were in force he could have been dealt with under that part, but I say again that Part II has absolutely no reference to a case of the kind that has been mentioned. Well, then, what is the substitute for this law which should be adopted in a case like this ? What is first of all the evil which has to be removed ? The substitute for the Act will, of course, be the remedy for that evil. The evil is this alien rule—this government by force—this government against the will of the people whom you are governing, and the one remedy for it is to let the people govern themselves. There is no other remedy. You may try your best. You may invent and manufacture all sorts of engines of repression, I can assure you that they will be of no avail and they will

recoil upon you in course of time. Has any nation in the world yet succeeded in governing a people as you are trying to do ?

Then, I wish to say a word about the interview of Mr. Das which my Honourable friend has given to the House as a confession of the Swaraj Party. Now, Sir, the Swaraj Party stands upon its own legs. It treats the charges of corruption, such as those that were mentioned at question time this morning with the contempt they deserve. It challenges public inquiries into every act and conduct of theirs. They are people who act above-board. No C. I. D., no special laws are necessary. You know when this very enactment was used against members of the Congress Party, what did they do ? They went to the Court ; they broke the law, and they said they had broken it and there was an end of the matter. Well, Mr. Das says there is a more serious anarchical movement than the authorities realise. Now, Sir, I do not know upon what materials Mr. Das made that statement, but I wholly endorse it, every word of it, and not only that, but I say that, if you do not take care, you will one fine morning wake up to find the whole country full of a honeycomb of secret conspiracies and you will not know how to deal with it. Why do I say so ? Not because I am in concert with any of these conspirators. If I were I would admit it, but in fact I am not and my own inclinations do not take me that way. But I say as a reasonable man, who can put two and two together, that I know what ails my countrymen. I know how the wave of anarchy arose, I have watched the ebb and flow of the wave. You may pride yourself in the belief that it was your repressive laws that put down anarchy in Bengal for a time. Nothing can be farther from the truth. What actually happened was that Gandhi came in with his non-violent non-co-operation and put an effectual stop to all these anarchical crimes for the time being. It is you who crippled him. It is you who deprived him of the opportunities he possessed, and you must take the consequence. These conspiracies must revive in the ordinary course of things, and you cannot expect otherwise. Now, as I have already said—and I need not for that purpose read the provisions of the Act, it has nothing whatever to do with the activities of the anarchists, because they work underground. You cannot catch them. They have no tangible associations. They have no name for their associations except perhaps Red Bengal. By all means declare Red Bengal as an unlawful association. How many people will you catch ? Who will come forward and say “ I am a member of the Red Bengal society ”. Red Bengal will commit its crimes. It will work underground. Only when a crime is committed you will be able to identify a man as a member of the Red Bengal society or association, whatever you may call it. But Part II will never come into play. It is only Part I that could come into play. The real use of the Act has been—as my learned friends who have spoken before me have already mentioned—against people of a more dangerous character than even anarchists. And who are they ? People like my friend Mr. C. R. Das and myself. Why are we so dangerous ? Because we have made it our business to awaken the people to acknowledge of their real rights, to inform them how they are misgoverned and to demand that they should be governed by themselves. That is the danger of it.

I do not wish to detain the House any further. I will only say that this Act is a most outrageous law. It is a blot upon that magnificent system I have referred to above. It is a blot upon the English nation and upon British character. I will say one thing before I sit down and it

is this. If this law continues in force and if this law is applied in my own provinces or if a notification is issued in provinces to which this law applies, I shall take it to be my highest duty to break the law myself and to call upon others to break it.

The Honourable Mr. A. C. Chatterjee (Industries Member) : Sir, as I listened to the speech of my Honourable friend opposite (Pandit Motilal Nehru), I could not help regretting that for some years at any rate the courts had lost one of the best advocates in this country, an advocate who feels that although he has not really a very good case, he must make a good case and he does make a good case at least for the time being. But, Sir, I fear that my Honourable friend has on this occasion proved a little too much. I gather from his speech that he thinks that this particular Act, this particular law which we are now discussing, can be of no value whatever to the Executive in its present form. (A Voice : "Great use.") I think he said it was of no use at all against anarchical activities. The only use that can be made for the present law was against persons like himself and like Mr. Das. Well, I can assure my Honourable friend that in his present frame of mind there is not the least chance of this Act being used against him. (Mr. Amar Nath Dutt : "It is no compliment to him.") I think times have changed since 1921 when my Honourable friend did break the Act. I am perfectly certain, in spite of the assurance that he conveyed to the House a little while ago, that he will not break this Act again. So, I should like all my Honourable friends in this House to disabuse themselves of the fear that this Act was again going to be used against my Honourable friend opposite. (A Voice : "What about Regulation III ?") One good service my friend has done is that he has demolished the arguments that were used by my Honourable friend, Pandit Madan Mohan Malaviya. Pandit Madan Mohan Malaviya seemed to doubt the statements that had been made by the Honourable the Home Member with regard to anarchical movements in Bengal and elsewhere.

Pandit Madan Mohan Malaviya : I did not doubt, Sir, the facts stated by the Honourable the Home Member. I challenged the conclusions which he drew from those facts for keeping this Act on the Statute-book.

The Honourable Mr. A. C. Chatterjee : One of the conclusions of the Honourable the Home Member was that there was anarchical conspiracy in Bengal and, I understood the Honourable Pandit, who is also one of my oldest friends in this Assembly, to say that he did not believe that statement.

Pandit Madan Mohan Malaviya : The Honourable Member is utterly mistaken. I did not say that about the non-existence of conspiracy. I simply said that the Honourable the Home Member had not shown how those facts justified the keeping up of a special enactment.

The Honourable Mr. A. C. Chatterjee : I am very glad, Sir, that the Honourable Pandit has explained his position. I am very glad that he has admitted that there is anarchical conspiracy in Bengal, and I should like all my Honourable friends opposite to search their hearts and to say whether it is not likely that there may be a revival of similar conspiracies in provinces other than Bengal.

Pandit Motilal Nehru : There is bound to be.

The Honourable Mr. A. C. Chatterjee : Exactly ; that is what my Honourable friend Pandit Motilal Nehru has said, and I should like every Member in this House to ponder over that fact and to consider whether, when Government say that an enactment like this is necessary in order to combat such conspiracies, they should accept the motion of the Honourable Dr. Gour and proceed to the consideration of this Bill.

Sir, Pandit Motilal Nehru made another extraordinary statement, a statement which came to me with a great deal of shock coming as it did from a learned lawyer like himself. He said that there were no special laws in any other country.

Pandit Motilal Nehru : Who said that ?

The Honourable Mr. A. C. Chatterjee : I certainly understood my Honourable friend to say that.

Pandit Motilal Nehru : I said there are special laws, emergency laws and all sorts of laws in every country. But they are laws. They do not violate all notions on which laws are founded by being called special or being qualified by any other word. This particular law is no law at all. That is what I said.

The Honourable Mr. A. C. Chatterjee : I really do not know how a lawyer can say that a particular law is no law at all. If a law is passed by the constituted authority, I take it it is law. The position is exactly the same in England, only the constitution of the authorities who pass the law may be different. My Honourable friend said that no such special laws or emergency laws were ever passed in England. He paid a very high compliment to the English people and to their traditions. I wonder if he had never heard of the suspension of the Habeas Corpus Act and of the various other laws that have been passed in the United Kingdom from time to time to deal with special emergencies or to deal with special forms of crime.

Pandit Motilal Nehru : I admit that. I can understand the suspension of the law for the time being, but I cannot understand the ordinary law to go on with your special law superimposed. You have got an extraordinary special law running on for years.

The Honourable Mr. A. C. Chatterjee : What about the coercion Acts in England or in the United Kingdom ? I really am surprised that my Honourable friend, who is always so straightforward in his arguments, should simply overlook that fact.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : May I know, Sir, on a point of information, whether any coercive Act has been passed in England for being applied to the people of England except during the time of the war when we had the Dora—whether any Act suspending the Habeas Corpus Act has been passed since the French Revolution days ?

The Honourable Mr. A. C. Chatterjee : The Honourable Member will have an ample opportunity of asking an questions after I have finished. I am not a lawyer and it is not for me to give him an answer, but certainly I was surprised to hear extraordinary statements made by a lawyer. Then, Sir, coming back to the arguments of my Honourable friend, Pandit Madan Mohan Malaviya, I noted that he said that there were no revolutionary activities in Bengal at all during the War, and therefore this Act was never applied and therefore it was not necessary. I do

not know if my Honourable friend has for the moment forgotten the existence during the war of the Defence of India Act. The Defence of India Act gave for the time being the most extraordinary powers to Government and I think my Honourable friend must have forgotten that both Lord Carmichael and Lord Ronaldshay stated more than once that it was because the Government of Bengal were enabled to apply the extraordinary provisions of the Defence of India Act that the revolutionary activities in Bengal had for the time being been stopped. I do not agree at all with my Honourable friend opposite that it was only the cult of Mahatma Gandhi—for whom I have the greatest respect—that it was merely the cult of Mahatma Gandhi which stopped the revolutionary activities in Bengal. They had been stopped at least for the time being during the war when Mahatma Gandhi's cult was not in existence, and if Mahatma Gandhi's cult was responsible or was instrumental in stopping revolutionary activities in Bengal, why has it failed now? Mahatma Gandhi is out of jail, and why cannot he exercise his potent influence over again? If he cannot exercise his influence I expect my Honourable friends opposite are responsible for that and not Government. Sir, Pandit Madan Mohan Malaviya also referred to the application of this Act in recent months in the Punjab. He characterised the members of the Parbhandak Committee as so many gentlemen whose spirit had been broken and crushed by this most repressive measure.

Pandit Madan Mohan Malaviya : I did not say that their spirit had been broken or crushed. It will never be broken or crushed.

The Honourable Mr. A. C. Chatterjee : I am very glad that the Honourable Member thinks that their spirit has not been broken or crushed. Then what harm has this Act done?

Pandit Madan Mohan Malaviya : If the Honourable Mr. Chatterjee does not know it, no amount of expression of my opinion will convince him. I objected, because the Government had not the courage to fight them honourably in the open field.

The Honourable Mr. A. C. Chatterjee : Is it not fighting in the open field to declare their association unlawful under the law? Any way, I defy my Honourable friend to show that everything is well in the Punjab. He himself has tried times without number to restore peace in the Punjab. I acknowledge his services, but he must admit that the efforts of himself and his friends have been in vain and it is for the Government which is responsible for law and order in the Punjab to apply such measures as they consider necessary to maintain law and order. Now, my Honourable friend, the Home Member started by saying that all his training had been towards looking upon laws of this kind with suspicion. I expect my Honourable friend was referring to his legal and judicial training. Sir, I was a Judge only for a few months. I expect I was a very bad Judge because I was at once transferred back again to the Executive. Anyhow, Sir, I wish as an officer,—as a servant of the Indian Government and as a servant of the Indian public who has spent most of his time in discharging executive functions,—I wish to state on behalf of executive officers that they also look upon such laws with very great suspicion and very great diffidence. They would much rather use the ordinary provisions of the law, but, Sir, they have a very much more sacred duty to perform—a duty which they often perform amidst great danger and in the midst of very great difficulties, and that duty is the maintenance of the King's

peace, and for that reason they have to use any laws which have been provided for them by the constituted authorities. I hope that when Members of this House proceed to vote on this measure they will think of all these officers, and I would remind them that most of these officers are their own countrymen. I wish Members of this House to think of these Indian officers all over India trying to carry out the law and trying to maintain peace and order in circumstances which are extremely difficult and sometimes extremely dangerous to themselves. I wish Members of this House to think of these Indian officers from the Commissioner down to the police constable and the Tahsil *chaprassi*, and in their interests I would ask Honourable Members of this House not to vote for Dr. Gour's motion.

Mr. M. A. Jinnah : I regret to say that even after the eloquent speech of my Honourable friend, Mr. Chatterjee, I am not convinced, and therefore I will not only vote for but wish to lend my entire support to the motion of Dr. Gour. Sir, I am sure that the Honourable Mr. Chatterjee would not have made the speech or advanced the arguments which he made if he had been a lawyer. It is because of his associations with the Executive that what little law he learnt he has forgotten. I ask Mr. Chatterjee, was he really serious in the name of maintaining the King's peace,—was he really serious in suggesting to this House that because there was a suspension of the Habeas Corpus in England, because there was a Defence of India Act passed in India during the war, therefore, to-day conditions prevail in India that justify the retention of the Statute ? This Statute was passed in 1908 and I know the circumstances under which it was passed. I know that it was due to the partition of Bengal when the Honourable Member's province was aflame, and in order to pacify public opinion in this country we know that soon after this Act was passed by the then Imperial Legislative Council we got the Minto-Morley reforms. The Minto-Morley reforms followed this, but Government had already taken the instrument in their hands before the Minto-Morley reforms came into existence. Ever since then, Sir, what has happened ? Owing to the introduction of the Minto-Morley reforms the country at large changed its attitude. And I am sure that the Honourable Members across the Treasury Benches there who know anything about India will bear me out that the bombs that appeared in 1906, 1907 and 1908, disappeared and disappeared for a considerable time. Then came the war in 1914. The Minto-Morley reforms worked from 1909-10 and in 1914 came the war. What was the position ? Did you not have the entire bulk of the population of India supporting you ? Did you not pass the Defence of India Act with the unanimous consent almost of the non-official Members in the Imperial Council ? What did you do ? You wanted to present us after the war with the Rowlatt Bill and you want to retain this now. Now, Sir, I for one have no hesitation in saying that I believe and I believe firmly that it is the primary function of every Government to maintain law and order. We do not deny that. That is your function, that is your business. But the question that this House has got to ask itself is this. How is that function to maintain law and order to be performed ? Is it to be performed against the will of the people ? Is it to be performed in spite of the will of the people ? Is it to be performed by not responding to the public opinion and by retaining a most reactionary and oppressive measure on the Statute-book. Is that your function of Government ? Are not the people entitled to say to you

that we are here as the representatives of the people and would never give you this power if you had come to us to-day ? Why, because you are the cause of the trouble, you are the root cause of the trouble, you are the primary cause of the trouble and you talk of the primary duty of maintaining law and order. I maintain Sir, that if the Government were really responsive to public opinion, all the revolutionary organisations and anarchical organisations that you are now talking of and which you want to arrest and to destroy by means of this little Statute will disappear. On the other hand you may have this little Statute and you can have many more Statutes and if you do not respond to the wishes of the people, if you do not respond to the opinion of the people, in spite of any number of Statutes you will not destroy these revolutionary movements. Now, I particularly appeal to the Honourable the Home Member. You have ruled this country for nearly one hundred years, at any rate if not one hundred years, very near it. In 1857 Queen Victoria assumed the reins and the power of ruling this country. Was there a bomb or an assassination, was even the hair of an Englishman in this country in danger until 1906 or 1907 ? (*A Voice*: "What about the mutiny ?") I will make a present of that argument to the Honourable the Home Member because I do not wish to be misunderstood and I do not want to be side-tracked. I will concede to you the mutiny if that is all that you want.

The Honourable Sir Alexander Muddiman : I never referred to the mutiny, I spoke about assassination. (*A Voice* : "Lord Mayo.")

Mr. M. A. Jinnah : I think Mr. Chatterjee has forgotten his history. Was Lord Mayo's assassination a political assassination ? A particular person who happened to have a grievance and who happened to be in the Andamans assassinated Lord Mayo and surely you are not saying that it is a political crime. My point is this and I do not want to be side-tracked. Was there an Indian for a long time, until 1906, who threw a bomb in this country ? Now, who are the people who are really the members of these organisations ? You have caught some of them. You ought to have some fair idea of it. Why do these educated young men take to bombs ? Have you ever thought of it ? Why do these young men, bright youths who have drunk at your own literature and who have imbibed those principles of liberty and freedom, come together in secret organisations in order to assassinate you, the very people who have taught those fine principles ? Why ? Because they feel that this Government do not respond to their aspirations, to their ideals and to their ambition to secure complete political freedom for their country. Now, Sir, you are not going to put this right unless you meet those aspirations and those principles. They are deeper than you imagine.

Now, coming to this Act itself, it has been already pointed out what this Act is and how it can be used. The danger of this Statute is this. It has been already pointed out and I do not wish to repeat it, but a suggestion was made by my Honourable friend Sir Chimanlal Setalvad. I want the House to understand that. I do not know whether the Government are going to accept that proposal, but if the Government did, I am afraid the very object that they have will be destroyed. But, even if the Government are prepared to accept that, I shall certainly not accept that. I will not be a party to that. I want this Act to be repealed and I do not want to see this Act again on the Statute-book. Sir, can you point me out a single country in the world, and I appeal again to Mr. Chatterjee's knowledge of

history and law, that claims the name of a civilised government which has got a Statute of this kind because there are a few bombs thrown. Which country is free, where bombs are not thrown? Is this the way you are going to prevent bombs being thrown? No. The way to prevent bombs being thrown is to meet the people, respond to their feelings, their sentiments and their legitimate and proper aspirations. I therefore strongly support this motion and I say that it is opposed to every principle of the constitution that in normal times the Executive should have such a power. Even if the Executive were responsible to the Legislature I would be the last person to give this power. Mr. Chatterjee said that the executive is also loath to use this Act. They also know the principles. They know that this Act is a very oppressive Act. They will be slow to use it. I recognise that, but you must remember that if the argument was applied, then why have at all any judicial tribunals in this country? Why not leave everything to the Executive? The very object, the very fundamental principle of law which says that no man's property or life is to be taken away without a judicial trial and without giving him the right to defend himself you take away by this Act. Mr. Chatterjee can sit in his room in one of these buildings not very far from here and notify that this Act is applied or notify that a particular association is unlawful, and if, Sir, it happens to be my fortune or misfortune to be a member of that association I go to jail like my Honourable friend Pandit Motilal Nehru. What remedy have I? Where can I go for redress?

The Honourable Mr. A. C. Chatterjee : You should resign.

Mr. M. A. Jinnah : Why should I resign, because you happen to pass an order under this Act which is a blot on the Statute-book? Because you as an Executive Member without giving an opportunity to the Association to be heard, declare that Association unlawful, I have got to resign and the Association has got to be disbanded because Mr. Chatterjee pleases in his secret chamber to make an order without giving me a right to be heard. That is the very fundamental principle for which Englishmen have shed their blood, and, it is to their credit, they have done so ; and I say I would be prepared to shed my blood for the same principle.

Colonel J. D. Crawford (Bengal: European) : Sir, it is with considerable amazement that I have heard, or rather I have not heard one word of condemnation fall from any of India's responsible leaders against the use of anarchical methods for political progress. I do desire to claim the right as a citizen of India, and I claim that right not from the fact that I have been in jail under the Statute which we are examining but that I have risked my life in the defence of India's frontiers, to say that I consider and I believe every law-abiding citizen considers, anarchical crime horrible and impossible. I desire for the moment to speak for my Province of Bengal and to say that every law-abiding citizen there views with grave misapprehension the recent outbreak of revolutionary tendencies in that Province. What is the proposal of Dr. Gour? It is to repeal the balance of the Act—Part II. What is the proposition of Government? Government say the situation at the moment, particularly in Bengal, does not justify us in foregoing any powers with which we are armed. And I do believe that the majority of people in Bengal believe and desire that Government should be thoroughly firm in dealing with revolutionary crime in Bengal. They do not desire to see their sons drawn again into the

horrors which occurred from 1908 onwards. They desire, as many Members of this House desire, political progress, but they do not desire to attain it by that method. Revolutionary activities do exist in Bengal. We have just heard from the Honourable Pandit Motilal Nehru and I from my own knowledge and every Member who has come from Bengal from his own knowledge, knows that such activities are in existence and are a danger and a very real danger to all law-abiding citizens. I will remind this House of my own distressful country Ireland. Organised crime is one of those things against which the ordinary law-abiding citizen and society cannot stand. In Ireland those of us who desired to speak what was in our mind, to give evidence on what we believed to be true on questions of fact, were only to be shot, to have our wives shot, to have our children shot; and that is a position which we must not allow to arise in India to-day. I have heard my Honourable friend Pandit Madan Mohan Malaviya state that this Act has been misapplied. We know, that is not an actual fact, because the Act when it was applied was intended to deal with associations which were becoming a menace to society and it was then that many politicians in their desire to give further assistance to their country as they thought, joined those associations simply to embarrass Government. That is the reason why so many Indians have been put in prison under that Act. The Honourable Pandit Motilal Nehru stated that the ordinary law of the land should be allowed to run. The ordinary law of the land is dependent upon the fact that you can protect the man who comes to give evidence in your courts of law. If you have an organised society capable of intimidating your witnesses, what chance has the ordinary law of the land to run? Absolutely none. Possibly the Honourable Pandit would prefer that we take this Act away from the list of repressive laws and make it one of the ordinary laws of the land, so that we may protect ourselves from organised crime and the intimidation of those who have the right of freedom of speech and freedom of thought. With these words I beg to oppose this Resolution.

Dr. H. S. Gour : Sir, I shall very briefly reply to the criticisms that have been made on my motion on this Bill for further consideration. I am glad to find that the Honourable the Home Member and the Honourable Mr. Chatterjee both agree on the main principle of my motion, namely, that this Criminal Law Amendment Act is a detestable piece of legislation.

The Honourable Mr. A. C. Chatterjee : I never said that I agreed that this was a detestable piece of legislation and I do not remember the Home Member having ever expressed that view.

Dr. H. S. Gour : Very well, Sir, I will assume that the Honourable Mr. Chatterjee regards it as a laudable piece of legislation.

The Honourable Sir Basil Blackett (Finance Member) : In those circumstances.

Dr. H. S. Gour : But at any rate so far as the Honourable the Home Member is concerned, he made no secret of the fact that he did not like it.

The Honourable Sir Alexander Muddiman : The Honourable Member will excuse my interrupting him, but what I said was that I did not like any laws of this kind and I approached them with a suspicious eye.

Dr. H. S. Gouk . The Honourable the Home Member did not like any piece of legislation of this character unless it was justified by dire necessity, and the Honourable the Home Member therefore strove to establish a case of dire necessity. He said that in 1908 this measure was enacted for the suppression of anarchical crime in Bengal and he has enumerated a large number of cases of outbreaks of dacoity and murder during the last twelve months. Now, Sir, this enactment has been on the Statute-book during these last 12 months, and I ask the Honourable the Home Member if this Act was enacted for the benefit of Bengal and there was justification for its extension for the suppression of crime in that Province, has any notification been issued by the Local Government declaring any Association as unlawful as required by section 16 of the Act ? The fact that the Act itself is in force in Bengal and is indeed in force elsewhere does not count. In order to bring the provisions of that Act into force what the section requires is that there must be a notification by the Local Government under section 16 ; and I beg to ask whether any association has been declared unlawful in Bengal as required by that section ? I presume from the silence of the Honourable the Home Member that he is not in possession of any information declaring any association in Bengal as unlawful under the provisions of Part II. If so, Sir, the Act has failed of its effect and the existence of revolutionary crime in Bengal during the last twelve months has not been suppressed and no attempt has been made to suppress it by resorting to the provisions of Part II of the Criminal Law Amendment Act. I therefore submit that the justification which the Honourable the Home Member set out in his opening speech has not been made good by the facts which I have adverted to.

I now pass on to the next question. The Honourable the Home Member has asked this House to endorse his view on the ground that it is necessary for the Executive to suppress anarchical crimes in Bengal and elsewhere ; which I pointed out could be done by resorting to the sections relating to conspiracy. The Home Member has also done me the honour to quote my remarks on the conspiracy sections. But may I also reciprocate that compliment by quoting the words of the Mover of the motion which culminated in the enactment of the Criminal Law Amendment Act of 1913, popularly known as the Conspiracy Act. Referring to the present Act, which I ask the House to repeal, he said :

“ Experience has shown that dangerous conspiracies are entered into in India which have for their object some other than the commission of the offence specified in section 121-A. of the Indian Penal Code and that the existing law is inadequate to deal with modern conditions.”

Now, Sir, remember these words. The Criminal Law Amendment Act, 1908, was passed in that year ; in 1913 the Conspiracy Bill was introduced in the Imperial Legislative Council and the justification for the introduction of the Conspiracy Bill was that this Act of 1908 had proved inadequate to suppress conspiracies in India. Now, I beg to ask, in face of this confession made by the accredited spokesman of the Government in 1913, what justification is there for retaining this Act on the Statute-book ?

Then the Honourable the Home Member said “ If we repeal this Act, where is the substitute ? ” I pointed out to him that the substitute exists in the Conspiracy Act ; he then said that the Conspiracy Act requires a higher standard of proof. May I ask him to remember the words of the Honourable the Mover of the Bill in 1913 when he confessed

that this Act of 1908 was wholly inadequate to deal with conspiracies ? I cannot understand, Sir, how in the face of that confession Government can resist my motion to take my Bill into consideration.

Then, Sir, my Honourable friend, Sir Chimanlal Setalvad, in his speech pointed out that Part II of the Criminal Law Amendment Act which I am asking this House to repeal contains a dangerous provision and he asked the Government to make a declaration whether they were prepared to table an amendment to remove this pernicious provision contained in section 15 (b) of the Act. Well, Sir, the Government had a sufficiently long time to do so. If they will turn to page 2207 of the Debates containing the speeches on the day of introduction, they will find that the identical point was brought to the notice of the then Home Member. I then pointed out that the Government were given the power of declaring any association as illegal without hearing the association or its representative or calling upon it to show cause. It was the condemnation of an association unheard and without the right to be heard and that association was powerless because it could not move any judicial tribunal to set aside the executive order of the Government. I further pointed out that once this declaration was made all members of that association became liable to be sentenced as provided in the next section, and it was not competent to the High Court to go into the question whether the declaration made by the Local Government was right or wrong. I further pointed out, Sir, that the terms of the Act had been greatly enlarged and the scope of its mischief extended by the enactment of the Act of 1920 ; for while in 1908 the power to declare these associations illegal was given merely to the Governor General in Council, by the Devolution Act of 1920 that power has been transferred to the Local Government with the result that the Local Governments who complained against an association are given the power to declare it as illegal and thereafter all members of that association become liable to sentence. I submit, Sir, that I further pointed out then that it was a very extremely humiliating position to ascribe to the Judges. The Executive Government says " this man has committed an offence ; you pass the sentence ", and the sentencing Judge is powerless to inquire into the innocence or guilt of that person. Is this a position which the Honourable the Home Member with his legal associations and traditions can ever justify and tolerate ? Sir, that was the position which was pointed out to the Government in March last. What action have the Government taken to rectify this Act since then ? They could then have said : " We are prepared to revise the provisions of this Act confining it to cases of anarchical crime and inserting salutary provisions and judicial safeguards ".

Have they taken any action in the matter ? They have done nothing of the kind. In these circumstances I ask my friend, Sir Chimanlal Setalvad, whether he would not be justified in going into the lobby with us if this motion is pressed to a division.

As regards the other speakers, including Colonel Crawford, I am afraid, Sir, they have not really realised the real situation. What is the good of talking about the existence of anarchy and revolutionary crime throughout the country ? What we are complaining of is not the weapons already existing in the armoury of the Government but of the method of trial under this Act, which we submit and the Honourable the Home Member was constrained to admit confers upon the Executive

extraordinary powers of jurisdiction. On these grounds I submit that the House should support my motion.

The Honourable Sir Alexander Muddiman : Sir, I have listened to the debate with great attention. I have had confirmed all my worst fears and have heard that there is a serious anarchical movement in Bengal which may spread to other provinces. That, I understood in effect my Honourable friend to say. That, Sir, is a matter which the Government will have to consider and I can assure the Honourable Member we shall not forget our primary duty of maintaining law and order at whatever cost. Secondly, Sir, I referred to Bengal not so much for the purpose of showing that this particular Bill is being utilised in that province—I understood my Honourable friend's main point was that things in India were so quiet that he did not think it necessary for us to have these powers. He himself said in his speech when moving for leave to introduce the Bill :

“That head of the State may be designated the Sovereign or the King or it may be a collective body of men like the British Parliament, or it may be one person chosen by that Parliament in days of great national crisis and emergency as a Dictator, such as was chosen in the early days of Rome. But whatever may be the position of the State, in times of emergency, all powers are centred in a small body of men or in one man. But in an ordinary state of society, when peace reigns supreme and ebullitions of crime are local and sporadic, constitutional law recognises no power in the executive to wield and perform judicial functions.”

That was in an ordinary state of society, but I gather that he argues that things are different here. Secondly, he argues that this part of the Bill has been used in other provinces for other purposes ; not connected with anarchical crime and that it has not been used purely for the maintenance of law and order. I did not deal with this point because my Honourable friend in his speech did not raise it. It has been dealt with by my Honourable friend Mr. Chatterjee.

Now, I have been charged with laying undue stress on a few dacoities in Bengal. Sir, there have been many dacoities in Bengal and it was not to emphasize that that I was addressing the House. I referred to these Chittagong occurrences for the purpose of making my point that in one of them ammunition was recovered which was not ammunition which could be legally obtained in this country and further to make the point that the subsequent murder on the 12th of January was committed with cartridges of the same kind. It was not merely for the sake of talking of dacoities in Bengal ; there are a great many dacoities in Bengal and I only referred to these occurrences by way of illustrating the point which I made and which has not been controverted.

Now, it is said : Why do not we let things drift ? Because that is really what it comes to—why do you want these unusual laws ? We do not like them ourselves. We hate them. Why not let things drift on till it comes to a question of martial law ? Well, Sir, I should be exceedingly unwilling to do that. If I can stop a leak with a small piece of wood, I do not take a large peg. If I can prevent the bursting through of law and order, I should prefer to do it when there is only a trickle coming through. I do not wish to wait till the waters have burst through.

Or take another analogy. When the fire is starting, you can throw a bucket of water on it, you may stop it. But when the fire once gets hold of one's house, then, Sir, sometimes nothing but the destruction of the house will save the neighbouring houses. (*Mr. V. J. Patel :* “It is the fire of

patriotism that you want to throw water on.") No, Sir, I do not wish to throw water on the fire of patriotism—that is far from my intention. I desire to see India patriotic, but I do not desire to see India anarchical. (*Mr. V. J. Patel* : "Give us Swaraj then.")

Sir, the suggestion was thrown out by my Honourable and learned friend, Sir Chimanlal Setalvad, that something might be done to amend the Act. At present I think the Bill is merely for the repeal of the Act. If any alternative proposal is put forward I shall certainly consider it, but it is not in my power to say that I can do more because of course in a matter of this kind I can only speak subject to the authority of the Government of India. The present proposal however is for the repeal of the Bill.

Sir Chimanlal Setalvad : May I inquire whether we can have any thing more definite than what the Home Member has said ? Can we have any definite assurances of the character that I have suggested of introducing some judicial safeguards, because on such assurances will depend the votes of some Members.

The Honourable Sir Alexander Muddiman : It is quite obvious, as I said, that in a matter of this kind I can give no assurance. All I can say is that we will consider the matter. It is a matter that concerns my Government. Nor is it, strictly speaking, relevant to this particular discussion. This is a motion for the complete repeal of the Act—nothing more.

Pandit Motilal Nehru : And nothing less.

The Honourable Sir Alexander Muddiman : And nothing less, says my Honourable friend. I understood from something that fell from my Honourable friend, Mr. Jinnah, that he thought the period 1912—1917 was one which was immune from anarchical outrages. The point is a very small one, by I may say that there were 174 anarchical outrages in that period. I do not know whether that is sufficient.

The main issue, it seems to me, is this. We are told we may be confronted—and I do not suggest that it is a threat, I am quite prepared to accept it as a friendly warning—we are told that the Government may be confronted with very serious anarchical trouble. Well, Sir, if that is the case, are we going to throw away any weapon, however small ? (*Pandit Motilal Nehru* : "Is it a weapon ?") Well, my point is—it may not be a strong weapon—I quite agree that you cannot notify the inner ring, because you do not know who they are. But anarchical movements are made up not only of those who have entirely gone over to the enemy, so to say, but of those who are in the condition, shall I say, of semi-solidification, and those persons you can affect. (*Mr. V. J. Patel* : "Congress volunteers.") Well, if the creed of the Congress is violent, it may be so. I am not prepared to say who. Section 15 of the Bill defines an unlawful association as an association which encourages or aids persons to commit violence or intimidation or whose members habitually commit such acts. Sir, if that part of the definition is not to be used. (*Dr. H. S. Gour* : "What about (b) ?") But your Bill is to repeal the whole Act. You do not repeal (b)—you repeal (a) and (b) and the whole Act. Is there anybody in the House who would encourage the persons who commit acts of violence or intimidation ? No, Sir.

Pandit Madan Mohan Malaviya : May I ask the Honourable the Home Member to say whether there are not sufficient and abundant provisions in the existing law, the Criminal Procedure Code, the Indian Penal

Code, etc., to deal with all the men who are mentioned in clauses (a) and (b) of the sections to which he has referred ?

The Honourable Sir Alexander Muddiman : Sir, that is a contention that my Honourable friend made out, but I do not admit that contention. The point of this Bill is that it deals with associations of this kind. You say : why do not you use the conspiracy law ? Is not that sufficient ? Sir, the answer is "Because our witnesses are intimidated, our witnesses are shot." That is why ? Does the House not admit our difficulties in this matter ? Am I to stand by and see the Commissioner of Police, Calcutta, hunted for his life ? Am I to stand by and see terrorism stalking over the land ? Am I to be told that when we have to cope with the bomb and the revolver, we should hand over any of the special powers we have ? No, Sir, not while I am in the Government of India.

Mr. President : The question is :

"That the Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908, be taken into consideration."

The motion was adopted.

23rd September, 1924.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhamadan) : Sir, I move that the Bill be passed. In doing so, I do not wish to recapitulate the arguments that have influenced me and my friends in asking this House for the repeal of Part II of the Criminal Law Amendment Act. In introducing the Bill I pointed out how I was carrying out the unanimous recommendation of the Repressive Laws Committee upon which the Government were represented and whose recommendation was unanimous on this point. I have given to the House the *ipsissima verba* of that recommendation, which was to the effect that the Committee hoped that the Bill would be introduced in the Delhi Session of 1922 for the repeal of the Criminal Law Amendment Act. Honourable Members will remember that the Government did partially carry out the terms of this recommendation. They introduced a Bill repealing only Part I of the Criminal Law Amendment Act, but left Part II intact. Part II of the Criminal Law Amendment Act was sought to be repealed in the last Assembly, but without success. That attempt had been renewed by this Assembly. Honourable Members will remember that during the previous stage of this Bill we pointed out to the Government how the provisions of Part II of this Act were obnoxious to the acknowledged and well understood principles of criminal jurisprudence. We also pointed out how the prototype of this Act, namely, the Irish Coercion Act, contained safeguards which are wanting in this Act. We also pointed out how the Governor General in Council, and latterly since the Devolution Act, the Local Governments, have been given the power to declare any association as unlawful. The Honourable the Home Member replying to this part of the debate laid emphasis—I submit undue emphasis—upon the wording of section 15, sub-clause (2) (a) of the Act. I have no doubt he wanted to impress upon this House the desirability of arming the Government with the power of suppressing violent and dangerous conspiracies ; but if Honourable Members will turn to section 16 they will find a ready answer to the arguments

of the Honourable the Home Member, for they will find that while an unlawful association is defined in clauses (a) and (b), section 16 of the Act lays down that if the Local Government is of opinion that any association interferes or has for its object interference with the administration of law or with the maintenance of law and order, or that it constitutes a danger to public peace, the Local Government may, by notification in the official Gazette, declare such association to be unlawful.

Honourable Members will further find if they turn to clause (b) of section 15 that any association, which has been declared to be unlawful by the Local Government under the powers hereby conferred, is an unlawful association. Consequently it comes to this that the Local Government, rather the Governor General in Council in 1908, and since the passing of the Devolution Act of 1920, the Local Government, has been given the absolute right of declaring any association as an unlawful association.

The Honourable Sir Chimanlal Setalvad on the last occasion when this Bill was before this House pointed out that this large power conferred upon the Local Government was not subject to scrutiny or control by any judicial authority, and it came to this that the Local Government may declare any body of men as constituting an unlawful association, and thereafter the members are exposed to the penalty which is prescribed in the following section. Now, Sir, one fact which I want particularly to draw the attention of the House to, and that fact I hope the Honourable the Home Member or any other occupant of the Treasury Benches will take note of, is this. Suppose the Local Government declares a member or an association to be unlawful and afterwards hands him over to the magistrate for the purpose of passing sentence, what is to be the measure of punishment? The magistrate says, "You come before me as a member of an unlawful association. I have now to mete out the sentence." The accused says, "I am not a member of an unlawful association; I am an innocent man and have been wrongly notified as a member of an unlawful association, and I am therefore entitled to the verdict of acquittal." The magistrate says, "You are a member of an unlawful association upon the finding of fact by the Executive Government, beyond which it is not competent for me to go. I am here the sentencing officer and all I have now to find is what should be an adequate sentence that I should pass upon you."

Now, Sir, it is a well-known principle of law that the measure of punishment is the degree of crime, and if the magistrate is not in a position to inquire into the criminality of the accused, how is he to pass adequate sentence? And that is the position in which the judiciary in India is placed by the passing of what was considered to be an emergency legislation.

I further beg to point out that whatever may have been the immediate causes which led to the enactment of this Act of 1908, the Government themselves acknowledged in 1913 that this Act was not sufficient to cope with the mischief it was intended to be directed against, and in 1913 they passed what is known as the Conspiracy Act adding two important sections to the Indian Penal Code. In 1913 they said that the Act of 1908 was a scrap of paper. They did not say so in words, but they meant it. They said it was not sufficient and had failed of its effect. In 1924 they say that the Act of 1913 is not sufficient, because they cannot get sufficient evidence to bring the offence home to the accused, and they therefore want

not only the retention of one or other of the penal provisions of the criminal law of this country but both.

Now, Sir, I pointed out on the last occasion that if there is disturbance of law and order of the character described by the Honourable the Home Member and by his predecessor in office in this House, the Government are empowered to resort to the ordinary provisions of the law which have been considerably strengthened by the addition of the two sections to which I have adverted. They have never tried those sections because they say they cannot get sufficient evidence for it.

Now, Sir, my Honourable friends in saying so are on the horns of a terrible dilemma. I wish to ask them, "If you have no evidence to prove that a particular man is guilty, how are you justified in notifying him as a member of an unlawful association? What are your data, and upon what grounds do you feel justified in issuing your notification under section 16 of Part II of the Criminal Law Amendment Act?" Surely, Sir, it must be upon some evidence, and if it is upon some evidence which you consider as sufficient, why should you fear that that evidence should be examined and scrutinised by a trained judiciary? That I submit is a weakness of Part II of the Criminal Law Amendment Act, and I have no doubt that when the Repressive Laws Committee recommended its repeal, they were influenced by the considerations to which I have adverted. Well, Sir, it has been said, I do not know with what degree of cogency, that if we were to repeal Part II of the Criminal Law Amendment Act, Government would be deprived of the power which they possess of suppressing lawlessness and crime, and the Honourable the Home Member, at the last sitting of this House, when this Bill came up for further consideration referred to a large number of cases of dacoity and murder, which he said had taken place in Bengal, and in which some of the miscreants had been brought to book. I pointed out, and I repeat it to-day, that in spite of the recrudescence of crime in Bengal, the provisions of Part II of the Criminal Law Amendment Act have not been put in force in that Province, and therefore it follows that the ordinary law is sufficiently strong to cope with the crime of the nature described by the Honourable the Home Member. I therefore feel that I can safely ask this House to support my motion that the Bill be now passed, and I make that motion.

Mr. H. Tonkinson (Home Department : Nominated Official) : Sir speaking in this House a few days ago, my Honourable and learned friend Mr. Jinnah said that the Honourable the Leader of the House did not mind how foolish a decision this Assembly might arrive at on a particular matter. I am speaking from memory, but that is, I think, the substance of a remark which he made. My Honourable friend was very mistaken, and this is one of the reasons why I rise now in the hope that even now, at this last stage, we may persuade the Assembly against the acceptance of this motion. We consider in fact that the passing of this Bill in the present condition of affairs in India would be so opposed to the interests of the country that, even if we look only at the reputation of this Assembly, it is desirable that the Bill should not be passed. I do not wish to take up the time of the House for long, but I do wish to refer to certain aspects of the case which have not, I think, received much attention in the Assembly.

The Bill, as we know, seeks to repeal the portions of the Criminal Law Amendment Act, 1908, which deal with unlawful associations.

That is, the present Bill proposes to remove a restriction upon what is known as the right of association. This right may on the one hand be regarded as an extension of the right of individual freedom. For example, if A, B and C may lawfully pursue a particular course of action, if acting without agreement, then A, B and C may pursue the same course of action when acting under agreement. This, however, is not a complete statement of the case, for on the other hand the right of association may greatly restrict the right of freedom of individuals. This is due to a fact that, according to Professor Dicey, has received but little notice from English lawyers, namely, that whenever men act in concert for a common purpose, they tend to create a body which from no fiction of the law, but from the very nature of things, differs from the individuals of whom it is composed. A body created by combination, whether a political league, or a trade union, by its mere existence, limits the freedom of its members and tends to limit the freedom of outsiders.

“*Espirit de corps*,” to quote again from Dicey, “is a real and powerful sentiment which drives men to act either above, or still more often, below the ordinary moral standard by which they themselves regulate their conduct as individuals.”

I doubt whether it is necessary for me to refer at length to the application of these remarks to India. One has only to remember the proceedings of the volunteer movement in India a few years ago to see how seriously combinations of persons may curtail the freedom of outsiders. For my present purpose the point which I wish to make is that at the present day the exercise of the right of association raises difficulties in every civilised country. In England, as elsewhere, trades unions and strikes or federations of employers, and lock-outs; in Ireland the boycotting by leagues and societies of any landlord, tenant, trader or workmen bold enough to disobey their behests or break their laws; in the United States the efforts of mercantile trusts to create for themselves huge monopolies; in France the alleged necessity of stringent legislation in order to keep religious communities under the control of the State; in almost every country, in short, some forms of association force upon public attention the practical difficulty of so regulating the right of association that its exercise may neither trench upon each citizen's individual freedom nor shake the supreme authority of the State.

I doubt whether it is necessary, for me, Sir, to develop further the theoretical justification for special provisions of law relating to associations. I should like, however, to cite an authority which was appealed to in another connection by my Honourable friend Pandit Motilal Nehru the other day. I refer to Professor Sidgwick. He refers to the danger of obstinate and systematic disobedience to Government being materially increased by the formation of organised associations and to certain kinds of acts which, when done by individuals, may be unsuitable for legal repression, but which become more grave and more palpably mischievous when carried out by the organised co-operation of a large group of persons. Further he refers to the danger of disorderly conduct, and he says:

“This constitutes an adequate ground for special repressive intervention if it becomes manifest that the ultimate design of a political association is to use unlawful violence for the attainment of its ends, or if”—and here the Professor might well, I think, have been referring to recent conditions in India,—“even though it formally repudiates unlawful methods, its operations have a manifest and persistent tendency to cause such violence. Under these circumstances it is in harmony with the principle on which indirectly individualistic interference has before been justified,

that the whole corporate action of such an association shall be prohibited and suppressed, even though a part of its operations may be perfectly lawful."

Mr. V. J. Patel : All that applies when the Government are responsible.

Mr. H. Tonkinson : And then in a note, to which I think I should invite the particular attention of this House, Professor Sidgwick says:

"It will often tend to minimise the required interference if the suppression be not performed once for all by the Legislature, but from time to time, so far as may be required, by the executive temporarily invested with special powers. Such powers, if they are to be useful at all, should be somewhat wide; or else the attempted repression may be evaded by the reconstitution of the dangerous association under a new name; but the use of these wide powers should be carefully watched by the legislature."

I think, Sir, this quotation enables me fittingly to leave the theoretical justification for legislative provisions relating to associations, because it is in conformity with the principles laid down in the note which I have just read that the Act which it is now proposed to repeal has been framed.

Dr. H. S. Gour : It justifies temporary legislation.

Mr. H. Tonkinson : And that note, I would remark, is a note by an authority whose greatness was appealed to so recently by the Honourable Pandit Motilal Nehru.

I now turn to the remaining portions of the Act of 1908. What does it consist of? In the first place an unlawful association is defined in sub-section (2) of section 15. I will leave clause (b) for the present. Clause (a) includes among unlawful associations those which "encourage or aid persons to commit acts of violence or intimidation or of which the members habitually commit such acts." The provisions of this clause, Sir, of section 17, which provide for the penal sanction, and of section 18, which provide for the continuance of the association after a formal act of dissolution or change of title, have not been seriously questioned in this House. I submit, Sir, that these provisions are so reasonable, so consonant with the principles of criminal jurisprudence that save perhaps in regard to a few minor particulars they cannot be seriously questioned. It has been suggested that the provisions are covered by the ordinary criminal law. But that is not so. Proof that A, B, and C have joined in a criminal conspiracy is very different from proof that X is an unlawful association and that A, B, and C are members of such an association. From what I have already said there can be no doubt that mere membership of an association of the kind defined in clause (a) of section 15 (2) should be sufficient to constitute a criminal offence. My Honourable friend, Pandit Motilal Nehru, speaking on this Bill, referred to the magnificent system of law and jurisprudence which has been handed down in England from generation to generation and which is the pride of the England of to-day. I note, Sir, that that system contains provisions of a similar nature to those which I am now considering. Members of certain societies are deemed guilty of the offence of unlawful combination and those societies include *inter alia* those which

"administer engagements purporting or intended to bind persons taking the same to disturb the public peace or to obey the orders or commands of any committee or body of men not lawfully constituted or not to inform or give evidence against any associate, confederate or other person," and so on.

Sir, speaking in 1913 on the Conspiracy Bill to which my Honourable friend, Dr. Gour has referred, Sir Reginald Craddock quoted the remark of Sir James FitzJames Stephen :

“If you find a gap in your criminal law stop it as soon as you find it, in a quiet time if possible, in troubled times if you must.”

The sponsor for this Bill on the other hand seeks not to follow this course but deliberately to make a gap in our law. He has not attacked these provisions, but nevertheless he proposes to repeal them. I admit that he and other Members of this House have attacked other provisions of the Act of 1908, but then their proper course is to propose an amendment of those provisions and not the repeal of these provisions which, I submit, Sir, ought to remain a part of the permanent law of the land. Admitting as they must do the justice of these provisions, they ought certainly to vote against the present Bill.

I now turn to the provisions which have been attacked. They are those which enable the Local Government to declare an association as unlawful. This power, as I have already indicated, and as Professor Sidgwick has said, ought in certain circumstances to be vested in the Executive Government. When may a Local Government declare that an association is unlawful? This is provided for by section 16 which gives the power to the Local Government when it is of opinion that

“any association interferes or has for its object interference with the administration of the law or with the maintenance of law and order, or that it constitutes a danger to the public peace.”

I would now like to draw attention to what my Honourable friend Dr. Gour has just said about membership. He suggested that the Executive Government by notification declares that a man is a member of an association and that when the accused appears before the Court he is not able to prove that he is not a member. This, Sir, is quite wrong as any one who reads the provisions of the Act will at once see. If any association has for its object or if its operations are normally attended by the consequences set out in section 16, I think that all Members in this House must admit that membership of such an association ought in the interests of good government to be made a criminal offence. If then we admit for the present the existence of such circumstances in India, the objections should be directed not to the repeal of the Bill but as to the manner in which the provisions have been worked. We have been told that the powers have been improperly used. I have not got time to discuss this question at length. I would, however, remind the House that a Committee of which Dr. Gour who has moved this motion and Sir Sivaswamy Aiyer were among the members who examined this question three years ago. I understand that they had access to confidential documents and they accepted the view that the provisions had been useful in regard to, and I gather from their report, properly applied against, the volunteer movement in India. The provisions are now being used in the Punjab. I have not sufficient knowledge of the details of what is happening in that province to speak at length on this subject. But I take it that every one here will admit that there have been instances there which would have called for what was described by Sir Malcolm Hailey as the exercise of that higher law which bids the State to protect the common citizen against intimidation, terrorism and wrong. The Act was passed, as we all know, to deal with anarchical crime in Bengal. In regard to the portions of the Act which still remain on the Statute-book Sir Harvey Adamson said that it was hoped that the provisions would be mainly preventive. He explained that the Government of the time believed that the effect of declaring an association unlawful would be to separate from it many of the young

and comparatively guiltless and also to deter the older men from giving it henceforth the assistance, pecuniary or otherwise, which from inclination, thoughtlessness or fear they had given it in the past. He said, "We hope to separate the waverers from the real criminals". The value of this weapon as against anarchical crime in Bengal was questioned in this House a few days ago. Our position in regard to anarchical crime is, however, still, as was explained by the Honourable the Leader of the House, the same as when the Act was passed. We hope to be able to utilise it to separate the waverers from the real criminal. We have little hope to secure by these provisions the real criminals. We still think we may be able to deter the waverers, and in any case, the position, as stated in this House by the Honourable Pandit Motilal Nehru, is so serious that we are not prepared, in view of our responsibility for the maintenance of law and order, to abandon any weapon at the present juncture. Sir, I oppose the motion.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : In the first instance I think Mr. Tonkinson has completely misunderstood me when he attributes to me the suggestion that it did not matter how foolish the decision may be that this House should come to.

Mr. H. Tonkinson : On a point of explanation I may say that the remark of my Honourable and learned friend to which I referred was to the effect that the Honourable the Leader of the House did not mind how foolish the decision of this Assembly may be.

Mr. M. A. Jinnah : I never said anything of the kind, Sir. I think the Honourable Member has quite misunderstood me. I have got the manuscript of my speech here ; if the Honourable Member likes I will send it across to him.

Next, he said that the reputation of this House was at stake if it were to repeal this Act. Well, Sir, it seems to me that every now and then this argument is trotted out, that, if we do a particular thing which they do not like, our reputation is at stake. Sir, our reputation is at stake and we are determined to put an end to this foolish determination of those who are advising the Government to continue this Statute ; and I say that if this House wishes to redeem its reputation in the eye of the civilised world it should insist upon the removal of this Statute from the Statute-book. Sir, Mr. Tonkinson's speech was a beautiful essay, rich in quotations from most elementary text-books. But he never answered the question which I put in this House and I repeat that question again. Will he show me anywhere in the world where the Government have in normal times—of course we are at issue on that point, whether these are normal times or not—but will he show me any Government in normal time coming to a Legislature and asking for powers such as are contained in this Statute ? I say, Sir, no Legislature and no Government will dare to ask for the powers contained in this Statute. If that proposition is sound, then I ask Mr. Tonkinson and I ask the Government on the other side there, do they think that there is that danger, that emergency, which entitles them to come to this House to-day and say that they must be allowed to retain this Statute on the Statute-book ? Now that is the question to which the lecture of Mr. Tonkinson does not reply. (*The Honourable Mr. A. C. Chatterjee* : "We discussed it the other day.") I am answering now the speech that has been made to-day on behalf of

the Government. I do not wish to repeat what I said to meet the Honourable Mr. Chatterjee as to his law. Now, Sir, the point is this. The Government have not shown us a single instance, excepting the recent association in the Punjab, which has been dealt with under this Act. They have not shown us a single instance where an association that was bent upon revolutionary crimes or anarchical movements has been dealt with under this Statute. That is admitted. Then what are the associations that you want to aim at? If you cannot touch the revolutionary organizations, if you cannot touch the anarchical movements under this Statute, because, as far as I understand, Sir, these bodies have no address, they have no specific location and their membership is unknown even to Government, omniscient as it is, then what are the associations that you wish to deal with under this Statute? That is the question I ask the Government. The answer is those associations which Mr. Tonkinson with his mentality may think are interfering with the administration of the country. The frame of mind which he displayed in his speech is one of a ruler who is determined to brook no interference with the administration of this country, and those are the orders he will pass against any association which comes into disfavour either with himself or with the Honourable the Home Member. And then what happens when that association has no right to be heard, no right of defence? It has got to be disbanded, and as I said before, if I had the misfortune to belong to such an association I have either got to go to jail or resign against my own conviction that the association is perfectly lawful and that its aims are loyal and patriotic. And why? Because Mr. Tonkinson does not agree with me. That is the question which this House has got to decide, and I say this, that, if this House did anything but vote for the repeal of this Statute, it would lose its reputation.

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhammadan Urban) : As I have been honoured by the Honourable Mr. Tonkinson by his references to me more than once in the course of his speech, I think it is but fair to me and to him that I should be allowed to trespass on the patience of the House for a few minutes. I have often had the misfortune of being misrepresented by the opposing Counsel in law courts and of having my argument so twisted as to be used in support of his argument. But the manner in which the Honourable Mr. Tonkinson has persuaded himself to believe that he has the support of my own argument for his case is, to say the least of it, most surprising. He says that I gave my opinion as to what the present condition of the country was and as to what it may become, and in those circumstances he says it will be very unwise for the Government to throw away the weapon that they have. Now, Sir, the whole drift of my speech on the second reading of this Bill was that it was the Government who was responsible for these associations; that it was the Government that had brought them into existence, and that if you do not mend your ways, you may be sure that one fine morning you will wake up to find the whole country a honeycomb of secret societies. That was my argument. I said you were standing on the edge of a precipice. Have a care, one false step will hurl you many fathoms down into the abyss. Mr. Tonkinson says that on my own showing it is for the Government not only to stand on the brink of the abyss but also to dash down into it. He is welcome to use my argument in that way.

The fact that you have not been able to touch the associations that you are afraid of, namely, the anarchical associations, under this Part of the Act and the fact that you cannot possibly touch them, were my reasons for asking you to desist from keeping this law any longer on the Statute-book. I asked the Honourable the Home Member at the time when he was talking of this law as a weapon how the weapon was proposed to be used. He said in effect what the Honourable Mr. Tonkinson has said to-day, namely, that by suppressing such associations at an early stage he would prevent them from ripening into anarchical associations. Mr. Tonkinson has now said that the law may be applied to waverers. Now, Sir, that is a very dangerous proposition and one which we should examine further. How are we to know who are the waverers, and how is the law to deal with waverers? I think the only law to meet a contingency like the one contemplated by the Honourable Mr. Tonkinson would be one enabling you to take charge of all the young men in the country whose minds are beginning to be imbued with patriotic ideas, who begin to think of their country, and of their lot in it, who are wavering between joining an anarchical movement and doing what they can for their country in other ways. The only law which will meet a case like that would be a law if you can have it passed in this House or any other, enabling you to take charge of all the young men in the country to see that they may not develop at a later stage into anarchists. Then the Honourable Member referred to one class of criminals, the Congress volunteers. The line upon which they stood was that one false step would lead them to anarchy. The right step, which of course would be the application of the Act, would make them very good citizens. These volunteers were Congress volunteers. What did they object to? They objected to any encroachment on the very natural and elementary right of association which this Act denied to them. They were a determined set of people—there was no wavering there. They went to jail in their thousands and in their tens of thousands by breaking this very law, knowing fully what they were doing, and determined to do it again if occasion arose. Can you call them waverers? They did it, and there were so many of them who followed this course that you were not able to send them all to jail. To do that you would have to convert the whole of this country into an enormous jail. Well, then, what is this weapon for? As Mr. Jinnah has said, and as I have shown in my remarks on the second reading of this Bill, you cannot possibly touch any real anarchical society. I hope I have disposed of the argument, so far as it deals with waverers.

Then it is said that such a law is not peculiar to this country. My Honourable friend has unearthed some old English Statute, in which he says that the law of unlawful assemblies is very similar to the law laid down in this Act. I am sorry I was not in the House when he made those observations; I shall only deal with them on the report I have received of his remarks. Well, no one has ever denied that unlawful associations have to be dealt with under the law, that there have been laws dealing with unlawful associations from the beginning of civilization, and that there will be such laws to the end of civilization. But I should like to ask the Honourable Mr. Tonkinson whether any man in England incurring the displeasure of the bureaucracy—I mean the executive, there being no bureaucracy in England—can be declared to be a member of an unlawful assembly. The objection to this Act is that it leaves in the hands of the Executive what is the province of the Judiciary. I say, with confidence

that there is no law of this kind in any civilized country, there never has been and never can be any such law in a civilized country in normal times, namely, in times like these. When I say "normal times" I distinguish such times from those when it becomes necessary to enforce martial law. In such times there may be any number of secret societies, and conspiracies. It is for the ordinary law to deal with them. There can be no other law which leaves it entirely in the hands of the Executive to decide whether a particular association is unlawful or not. But once a court of law holds that a particular association is an unlawful assembly, there are the provisions of the ordinary law to deal with that association. You do not want a special Act for it. The real sting of this Act lies in the fact that you rob the Judiciary of its proper function and invest the Executive with a power which it does not and should not possess in any country. That was my point, Sir. As for the reputation of this House, well, I do not know how much of it is left in the minds of my friends opposite. I think it was the weakest reed for my Honourable friend to rely upon. The reputation of this House is that it has pledged itself to the repeal of all repressive laws. That this is a repressive law can admit of no doubt. The House will only justify its traditions and its reputation if it passes this Bill.

(Several Honourable Members : "I move that the question be now put.")

Mr. H. Calvert (Punjab : Nominated Official) : Sir, I had hoped that it would not be necessary for me to take any part in this debate, but as several speakers have made a specific reference to the province which I represent and to happenings in that province, it seems desirable that the views held in that province with regard to the situation should be placed before the House. (*Mr. M. A. Jinnah* : "Whose views ?") Sir, the ground I tread is rather difficult, and I have no desire to wound the feelings of any people who are in sympathy with that particular association. I will only say that in that province a body of men, whom we need not further mention, started an association and registered it under the Societies Registration Act, 1860 ; that association had objects both lawful and laudable ; but, Sir, other men took possession and control of that association and diverted its aims and its activities into other channels. That association set about directly to challenge not only the authority of Government but the authority of the ordinary forms of law. It challenged, Sir, the authority of law itself, and the Law Courts and, Sir, the law that it challenged was no repressive law but the ordinary civil law of the land, the ordinary law of property.

I am going to deal, Sir, with what happened before the application of the Act and which led up to the trial, the trial of certain members of an unlawful association ; I am taking the period prior to the association being declared an unlawful association.

Now, Sir, we admit that this Act, which Dr. Gour desires to repeal, is a special Act of a very exceptional nature and which should only be applied in exceptional situations. There were a very large number of cases coming to courts and decided daily by the courts in which the ordinary law of the land was being defied. For two years the Government tried to use only the ordinary laws of the land. For two years various measures were put into force. We tried avoiding arrests and arresting. We tried ordinary trials under the ordinary law of the land ; we sent people to prison. We tried releasing prisoners on a large scale.

Everything failed. It was only after two years of trial of the ordinary law of the land and when parties of perambulating pilgrims were sent into territory not under the authority of this Assembly that the special law was invoked. Now, Sir, the result was that a situation arose which the ordinary law of the land was unable to cope with. There are in the Assembly, Sir, many Honourable Members who are in the profession of law and they are bound by their profession to uphold the authority of the Courts. I would ask them what they would do if they were appointed judges and they found that their courts were flouted, that the law they administered was openly flouted, when they found that they gave decrees and those decrees could not be executed because their authority was defied. If, Sir, they pressed for punishment of the direct offenders, they found that they were immature youths, old men or people who were the dupes of others. If the lawyers of this House were placed in a position like that, when even the compounds of their courts are crowded with a large number of people armed and marshalled for the purpose of defying them so that they could not carry on their work, they would apply for special methods.

Now, Sir, the main point I seek to make is this, that in this province we had two years' trial of the ordinary law. Most of the convictions that have taken place in connection with this movement have been convictions under the ordinary law of the land, and I hold, Sir, that no evidence has been given in this Assembly that the special powers had been in any way abused. So far, this Act has been applied not only not indiscriminately but it has been applied only when matters were reaching a stage when territory outside British India was being affected. I would only add one word. In the opinion of every one responsible for maintaining in that province respect for the ordinary courts, administering the ordinary law and trying to uphold the ordinary right of person and property, in the opinion of all these people, the time for repeal of this Act has not yet come. I therefore oppose Dr. Gour's Bill.

Dr. H. S. Gour : I should like very briefly, Sir, to reply to the Honourable Mr. Tonkinson, who has defended this piece of legislation upon theoretical and practical grounds. Dealing with the law of associations, he admits that it is a right of every man to associate and to create and join associations, but he cites Professor Henry Sidgwick in support of the view that where people associate in large numbers and are a menace to the peace and integrity of the State, the State is entitled to restrain their movements and their actions. But in citing that passage, he did not place emphasis, which the author of that work necessarily did on this, namely, that all interference by the State with the liberty of man is only justified in cases of national peril and can be supported only by temporary legislation. Now, Sir, I beg to ask, is this a temporary legislation? If it were a case.... (*Mr. M. A. Jinnah* : "Is there a national peril?") Is this a temporary legislation? If it were the case, have a legislation limited by a number of years. My friend on the other side would have said "It is covered by the enunciation of the principle of Professor Sidgwick," and I ask certainly with Mr. Jinnah, are we here in a state of national peril? Surely, Sir, even the Honourable the Home Member and his associate, who have defended this measure, have not gone the length of describing this country as in a state of national peril. Therefore, Sir, so far as the theoretical considerations are concerned, I submit they go by the board. Now, we descend from the arena of

theory to that of practice. Are there any practical considerations which outweigh the initial principle to which even the Honourable Mr. Tonkinson subscribes? I ask the Honourable Member what justification is there for the retention of this measure on the Indian Statute-book, when all the cases mentioned by the Honourable the Home Member were dealt with under the ordinary existing law? The Honourable Mr. Tonkinson has not vouchsafed any reply to it. On the other hand, there is a tone of sub-conscious conviction in my Honourable friend's remarks when he said that there are provisions in this Act which might be modified; and when he has admitted that fact, I submit he has paved the way for the repeal of the whole of it. Surely, Sir, it was up to the Government when they repealed Part I of the Criminal Law Amendment Act to bring in a measure for the amendment of Part II, and when we introduced this Bill in March last, we pointed out the flagrant defects in the enactment, and we gave the Government ample time and opportunity to bring these provisions in line with the dictates of modern jurisprudence. What have they done? Even at the eleventh hour my esteemed friend Sir Chimanlal Setalvad asked the Honourable the Home Member if he was prepared to modify its provisions. What was the response? The response was that he was not prepared to give an undertaking to that effect on behalf of Government. Now, Sir, what is, then, there to support this measure on the grounds of practical utility or practical considerations? My Honourable friend read to the Members of this House the definition of an unlawful association. He read clause (a) and when clause (b) confronted him, he dropped it like a hot potato. He forgets altogether that, in view of clause (b), clause (a) of section 15 is unnecessary, because, on account of its large terms, clause (b) empowers a Local Government to declare any association as an unlawful association. Therefore, my Honourable friend Mr. Tonkinson studiously avoided mentioning clause (b) or justifying it, and I can only take it that he found it wholly unjustifiable. I think it was with reference to clause (b) that my Honourable friend conceded, by implication that there are provisions in this part of the Criminal Law Amendment Act which might be amended and improved. I, therefore, submit. Sir, that nothing whatever has been said in this long debate on this occasion and on the last occasion which in the slightest degree shakes the position of the Members on this side of the House that this piece of legislation is vicious in principle and vicious in practice and the sooner we remove it from the Statute-book the better it will be for the reputation of the Members of this Assembly. What answer has my friend given to the pledge solemnly made by the Repressive Laws Committee, who hoped that the Government would bring forward a repealing Act during the Delhi session of 1922 for the repeal of this measure. Surely, Sir, between January 1922 and September 1924 much time has elapsed. The undertaking given by the members of the Repressive Laws Committee should have made good or the non-compliance with their recommendations justified on the floor of this House. I, therefore, submit, Sir, that, because we stand committed by the recommendations made not only by the members who are representatives of the non-official Members of this House but also by the Home Member, who was a representative of the Government, we are, *prima facie*, justified and entitled to ask for the repeal of this measure. We ask for its repeal upon the first principle, namely, the freedom of men and I ask my European friends,

who have struggled for the liberation of themselves and their people, to support this measure of repeal and so uphold individual liberty and the natural right of lawful associations. My friend, the Honourable Mr. Tonkinson, while conceding the principle, said that, if the case goes before a magistrate, a man can show that he is not a member of that association. I can only think that my learned friend has not read section 17, the provisions of which not only make a person, who is a member, liable to the penalty, but even a non-member and an outsider liable to punishment if he contributes or receives or solicits any contribution for the purpose of any such association or in any way assists the operations of any such association. Members and non-members, associates and non-associates, are all equally liable to punishment under the provisions of section 17 of Part II of the Criminal Law Amendment Act. Could the provisions of this section be possibly enlarged? And the question that I asked the Honourable Mr. Tonkinson was this. If the magistrate asks the accused to show cause why he should not be sentenced and he says that he is not a member of an unlawful association, it is not open to the magistrate to try the question whether the association is lawful or unlawful. That, I submit, takes away the plenary power of the judiciary to try a question upon which depends the measure of punishment. My friend, the Honourable Mr. Calvert, appealed to the legal element in this House to uphold the authority of law. Sir, I am quite certain that every lawyer in this House, and for that matter every Member of this House, is anxious to uphold the majesty of the law and the authority of the judiciary and it is inspired by that feeling that I ask this House to support my measure.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I do not propose to detain the House very long. In the first place, I should like to refute the statement that there has been any pledge given that the Bill should be repealed. No such pledge has been given.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : May I ask the permission of the Honourable the Leader of the House to draw his attention to a paragraph which appeared in the speech of Sir Harvey Adamson when the discussion was going on in 1908? This is what he said :

“It has been suggested that the Bill would be more acceptable to the public if a provision were inserted limiting its operation to a stated period. We have considered this point and come to the conclusion that it is better to enact the Bill as a permanent measure. If, happily, conditions improve so as to make it apparent that its provisions are no longer wanted, it will be easy to repeal it.”

The Honourable Sir Alexander Muddiman : I quite accept that. But my reference was to the Repressive Laws Committee. The facts are that the Committee definitely recommended that the Criminal Law Amendment Act should not be repealed and it is no use wasting time on endeavouring to extract a pledge by Government out of that report. Whether the law is a good law or a bad law, there is no question of a pledge to repeal it. But, as I said in my speech, if the condition of peace of the country was such as would permit of it, no one would be better pleased than I to see that the law was amended in so far as it is compatible with the peace and good government of the country. Now, the motion before the House is to repeal the law entirely. There has not been one word said—and I do not think there could be one word said—in this House in support of associations “which encourage or aid

persons to commit acts of violence or intimidation or of which the members habitually commit such acts". I cannot believe that there is a single Member in this House who desires in any way to protect those associations. Therefore, I take it, that the House do think that, in so far as the associations of the class I have quoted are concerned, there is no case against the Act as it stands. It was said by my Honourable friend that unlawful associations of that kind can easily be dealt with under the ordinary law. That is not so. Dr. Gour has just read out to you section 17 and I do not propose to take the time of the House by reading it again. But it is quite clear that section 17 read with section 15A of the Act does give very valuable power.

Now, the main complaint against the Bill is in respect of section 15, clause (b), which gives power to the Executive Government to notify an association as unlawful. It does give that power, and I admit that it is a very great power ; but it does not give that power in an unlimited way. It must satisfy the provisions of section 16, that is, the Local Government must be of opinion that the Association interferes, or has for its object interference with the administration of law and order. You might say—and I admit—that it is a very large power to give the Executive Government, but if the Executive Government exercises its discretion rightly what harm follows ? Can you contend because of that the whole law should be repealed ? That is the whole question. (*An Honourable Member*: "Who is to be the judge ?")

I wish the Honourable Member would not interrupt. I do not believe there is anybody in this House who wishes that an association rightly declared unlawful should be countenanced. You propose to repeal the whole of this Bill because you object to one clause. That at any rate is my contention.

The next point I wish to raise is this. In the course of the debate it was said that this is a law which is not a law ; though it is open to anyone to disobey it. Have we come to this stage that a man is to decide what law he is to obey ? Is that not the way in which anarchy lies ? Are we to be allowed to pick and choose our laws ? That is no argument for the repeal of a law. I may have a fondness for forgery, but no Legislature is going to repeal that law because I do not like the laws against forgery.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : May I ask if Government are willing to cut out clause (b) ?

The Honourable Sir Alexander Muddiman : If the Honourable Member had raised the point before I might have been in a position to give him a definite answer. It is not for myself but for the Government of India that I speak, and I suggest that it is not fair to ask me to make a statement of that kind at the last moment.

Dr. H. S. Gour : That was the question put by the Honourable Sir Chimanlal Setalvad.

The Honourable Sir Alexander Muddiman : What he proposed was that an appeal should be allowed from the Executive Government to the judicial authorities. (*An Honourable Member*: "Even that has not been done.") A suggestion has been made by other speakers that you may notify a member of an association. You do not do that. You notify the association.

Mr. Jinnah asked me to show him any country in the world where legislation of this kind exists in normal times. The point is that these are not normal times. These are abnormal times. When I am told that there are dangerous conspiracies in the land I certainly do not think that these are normal times.

Another point he made was that no Government could ever come to the Legislature and ask for legislation of this kind in normal times. We are not asking for legislation ; we are endeavouring to maintain legislation that was given to us in abnormal times, and which we are desiring to maintain in times which I regard as abnormal.

My Honourable friend, Pandit Motilal Nehru, drew a picture of Government on the edge of a precipice. If that is so, I am not one of those who would neglect to hold on to any rope I can. Certainly this is not the time to cut away ropes.

Then another gentleman objected, when my Honourable friend was speaking, and said we always had the powers to make a declaration of martial law. Is that a reasonable proposition for any civilised Government ? (*A Voice* : " Is it a civilised Government ? ") Are we to wait until the forces of disorder burst upon us, and we are left to the last resort of Government ? You say that this law is no good against anarchy. I am not prepared to say that. Even if it is not, I am still prepared to retain it.

It has been said that these matters can be dealt with under the ordinary law. Well, there you contend on the one hand that this is an extraordinary law and it therefore must go, and, on the other, that extraordinary situations can be dealt with under the ordinary law. It must be admitted by everybody in this House that there comes a time when the ordinary law cannot work on account of the terrorism of witnesses, mass movements, intimidation, etc. A man even of considerable courage may be intimidated and afraid to give evidence. If one man came to my house and sat on my doorstep it would not perhaps intimidate me ; but if 500 or 1,000 came into my compound and refused to leave, it would seriously intimidate me. When you get to that stage the ordinary law does not function. The ordinary law presumes that a man will give evidence if wanted. When you get to the stage when no one will give evidence for you, the police will not take up your case, and the court having insufficient evidence cannot convict, it is then that these extraordinary measures are necessary.

I do beg the House to consider the position. I am not going to repeat all I said about Bengal. It was not for the purpose of endeavouring to get a catch vote ; it was really with the object of impressing on the House the position in that province. The list of occurrences I read to you was read with the object of bringing before you not arguments but what has actually occurred. It has found confirmation in other quarters.

One other point. I heard my Honourable friend opposite say that all other so-called repressive laws must go. That is a much more serious proposition. It is not necessary for me to deal with it, but his declaration will provide matter for consideration.

In conclusion, I have nothing more to say to the House than this, that here we are in times that are not normal. We have something in our hands which the Legislature gave us which we ask you not to take

away from us. If you do, if you take away all these powers, then there is no stage left between the ordinary law and martial law. (*A Voice* : "Good government !") I trust the Government is good already. (*A Voice* : "Self-government !") Surely no man can seriously believe that a change in the form of Government will be a universal panacea.

With these words I oppose the motion.

Mr. President : The question is :

"That the Bill to repeal certain provisions of the Indian Criminal Law Amendment Act, 1908, be passed."

The motion was adopted.

23rd September, 1924.

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammad-Urban) : Sir, I beg to move :

"That the Bill to provide that, when firearms are used for the purpose of dispersing an assembly, preliminary warning shall, in certain circumstances, be given, be referred to a Select Committee consisting of the Honourable the Home Member, Mr. M. A. Jinnah, Dr. H. S. Gour, Sardar Gulab Singh, Mr. B. Venkatapatiraju, Raja Ghazanfar Ali Khan, Mr. H. Tonkinson, Mr. T. C. Goswami, Mr. B. C. Pal, Pandit Madan Mohan Malaviya, Mr. W. S. J. Willson and, with your permission, Colonel Crawford and myself, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be seven."

Sir, the title of the Bill is self-explanatory. The principle which I seek to emphasise by my Bill is that the provisions in the Criminal Procedure Code relating to the dispersal of unlawful assemblies by the use of firing and of firing by the military are inadequate in certain respects, especially in cases where the authorities, civil or military, have to resort to the use of fire-arms in dispersing such unlawful assemblies. The defects in the Criminal Procedure Code were noticed for a long time and were brought to prominence in the unfortunate Punjab tragedies. So much so that my Honourable friend, the Right Honourable Srinivasa Sastri, brought in a motion on the 3rd March 1921 in the Council of State recommending the acceptance of certain Resolutions and asking for the amendment of the provisions of the Code on the lines, more or less, which I have indicated in the various clauses of the Bill which I have introduced. Sir, there was a long discussion in the Council of State when our Honourable friend opposite was in the Chair there. The Government accepted two of the clauses and, on the division, the rest of the clauses were defeated. But two of these clauses were accepted on behalf of Government and also by the Council of State. Then, Sir, in pursuance of that Resolution the Government brought in a Bill to amend the Criminal Procedure Code to give effect to one of the objects enumerated in that Resolution. That passed the Council of State, and when it came up to this House to be passed by this House, amendments were sought to be made in this House seeking to amend the Code further. That amendment I had the honour of giving notice of, and when the amendments were tabled, the then Home Member apparently disapproved of them and he wanted to consider what steps he should take thereafter ; but the Government never chose to bring in a Bill.

The point which I wish to emphasise from that procedure is that Government themselves felt that there was a necessity to amend the sections of the Code dealing with the dispersal of unlawful assemblies. In some respects, no doubt the only difference between them and this side of the House was whether the amendments went far enough. I considered that they did not go far enough to meet the requirements of the case. They thought perhaps that discretion was the better part and they threw up the Bill altogether.

It is a matter on which we feel very strongly that the law ought to be amended. Speaking for myself at any rate, I am very anxious that the executive should be clothed with all reasonable and legitimate power to disperse unlawful assemblies and to put an end to riot, because, Sir, the possibilities arising out of mischief of that sort are immense. But I do feel that the law in this country is quite different from the law in England in essential respects. I see no reason why it should be different, at any rate to the extent it is. The possession of firearms is rather a dangerous incentive to certain people, like those who get easily panic-stricken and people who cannot keep their nerves steady. I do not object to people keeping firearms who can keep their nerves and do not easily rush into panic. Also there are dangerous views held by certain executive officers in this country that it is their solemn duty to kill people in order to create a moral effect, not in the places where the crowds are assembled, but in other parts of the country. I am glad to see, Sir, that His Majesty's Government and the Government of India have recently deliberately dissociated themselves from inculcating any such doctrines in the minds of executive officers, because there can be no more dangerous doctrine which can be propounded in the government of a country. It is the surest way for such a Government to come to an end, however weak the people may be. The weakest animals always find means of getting rid of tyrants, and I am not sure that weak as we are we cannot one day rise and put an end to tyranny, if tyranny continues. I am therefore anxious that the law should serve the purpose of the executive, while also protecting the people from dangerous misuse. As you know, Sir, and as the House also knows, there are ample safeguards in the provisions of the Indian Penal Code, a Code which has stood the test of time, a Code of which the English legislators can well be proud. There are ample safeguards in the Chapters relating to general exceptions and private defence in the case of public officers doing their duty fearlessly, so long as they perform their duty in good faith. Now the provisions in the Criminal Procedure Code give unnecessary additional protection to officers engaged in this unpleasant task. I do not think that any human being is so bad as to take a delight in inflicting harm or injury or death on other human beings. I believe when these people enter upon their duty they enter upon it not with delight but with reluctance. Now, as I have stated already, often times on account of the habits of the people, on account of the ignorance of language, or rather misconstruction of words used, the attitude of crowds is often assumed to be hostile, when really the crowd is going to petition. I have heard it stated during the Punjab troubles that when the crowd walked barefooted in order to petition the authorities, it was mistaken for a hostile attitude and force was resorted to. Speaking of my own experience in my own province, there have been cases where force by the use of fire-arms has been resorted to unnecessarily, and if a person with more nerve had been in charge, fire-arms would not have been used. I remember a case in Madras city, where my conviction and the conviction of reasonable persons was that firearms had been freely used without any necessity. In

this country it is so easy to quell disturbances. Crowds are easy to manage, I should think, though I have never tried it myself, but knowing my people as I do for the last fifty years, they are unaccustomed to the use of arms. That is one of the complaints which we have against the British Government, the reckless way in which they administer the law as to arms, and also the way in which the little military instinct which we have in the south has been killed by the deliberate policy pursued of enlisting for the military foreigners and people from the Punjab and even from across the frontier as if they are the friends. The little military instinct which we had has been killed and crowds are not so dangerous as often times people represent them to be. I know of cases where a police constable with a baton has been able to keep at bay large numbers of people. After all what are they armed with ? Brickbats and *lathis*. Do you think any London policeman would resort to the use of fire-arms in the way in which policemen in this country do ? I do not want to exclude my countrymen in this respect ; I attribute that conduct more to the want of nerve only than any deliberate intention to kill. They get panic-stricken by seeing a crowd. We know the effect the possession of fire-arms has on a house-holder when a thief or an imaginary thief enters his house. Having fire-arms his incentive is to use them. Being possessed of these deadly weapons, these people in authority are tempted to use them unnecessarily. No doubt they sometimes get excited and use fire-arms unnecessarily. Therefore, unless there are safeguards in the law there is a danger and risk of these arms being used upon innocent people, or of unnecessary violence being used where less force would have been quite ample. Now it is unnecessary for us to recapitulate instances, and I do not want to recall memories which I should like to bury in the dead past. The Government themselves have recognised that they should issue executive orders on the lines I have indicated in my Bill. They may plead in opposition to my Bill that they have already issued executive orders to that effect to their officers, and therefore why should there be a provision in the law ? but a provision in the law is one thing, executive orders is another. Where you have a foreign Government they naturally think (I do not blame them; it is human bias, it is human nature) that these executive officers, if they exceed the provisions of the law, are thereby doing their best to help the Executive Government, and maintain their authority and therefore they look at these excesses with a fond eye, and are willing to excuse where rigorous politicians like myself would not be inclined to excuse. That is the tendency of a foreign Government. They do not know the people ; the people distrust them ; they distrust the people ; and therefore there is a natural tendency to support the executive even when they abuse or misuse the power which is given to them, and in such cases the one provision of the Criminal Procedure Code which stands against getting an adequate remedy is this provision preventing prosecutions altogether, even when we know that officers have deliberately exceeded their powers. The necessity for obtaining sanction from the Local Government or from the Governor General, as the case may be, before the injured party can institute proceedings so as to make the person answerable in a Court of law stands as a great deterrent, and in fact my own view is that probably it encourages excesses at the hands of the executive officers. They feel they are safe, otherwise I could not understand how certain people acted in certain circumstances, in the way they did, but for the assurance they had that they could not be touched by the arm of the law so long as they had got their Government to support them. There have been cases where, even on the Government's own admission, officers have abused the

powers entrusted to them by law. Is there one case in which the Government took the initiative to prosecute those officers? It is said, oh! if applications are made to the Government, they will not withhold sanction. Sir, I know the Executive Government and how difficult it is to move it in matters of this sort. As I said, there is a natural inclination to take a soft view of things, whereas the injured party would not be inclined to do so, and the Courts would rigorously apply the law. After all, what is it we ask? I ask in my Bill that where officers misuse or abuse the law, the injured party,—I do not say the whole public as in England,—the injured party should be free to go to the Court, and I confine it to cases only where fire-arms are used. That is the principle for which I would stand, and unless you give it to the people, no matter what other direction you give, leaving them to the mercy of getting sanction or not from the Executive Government before they can take action, I think it is dangerous to allow this state of things to continue. I therefore ask that the injured party or persons or their representative should be given the liberty to go before the Court without any fetter of sanction. In England the injured party, in fact the public, are free to go in a matter of that sort to the Courts against the officers who have exceeded their powers. I have stated already that they are sufficiently protected by the substantive law, this special law need not protect them further. That is my point. And again I have been very careful in the wording I have given to the various clauses in my Bill. I say: "Fire-arms should be used only if such assembly cannot otherwise be dispersed, and no fire-arms should as a rule be used except on the written authority of a Magistrate of the highest class available on the spot." I have heard of a case where the Prime Minister's house in England (I believe it was the Prime Minister's house) was invaded by a crowd that wanted to gain access to him. The attitude of the crowd was threatening and the police played the waterhose on them: they discharged water and dispersed the assembly. But here—(*Sir P. Sivaswamy Aiyer*: "There are no hoses.") There are no hoses available, sometimes no water. But what is it you hear in the official accounts? The attitude of the crowd looked ugly, a policeman's turban was pulled off, or brickbats were thrown. On these slight provocations fire-arms are resorted to. That was the case in the Chulai riots; that was the case in the Madura riots of which my friend Mr. Rama Aiyangar has knowledge. But I do deprecate the resort to the use of fire-arms when you have got drilled policemen. Twenty drilled policemen can in concert face an undisciplined crowd, a mob which is generally composed of cowardly people, and to resort to fire-arms in such a case, unless absolutely necessary, is a pity. They say, unless you nip it in the bud, the thing is likely to spread. I do not think the risk is so great that you should unnecessarily resort to these deadly weapons of precision. That is why I say unless it cannot be otherwise dispersed, no fire-arms should be used except on the written authority of a Magistrate of the highest class. In fact I have in some of my clauses followed existing sections: for instance, that military force cannot be resorted to except on the conditions I have indicated. I have taken care to embody in some of my clauses the language of the existing sections in the Code itself. Then I also make a proviso that:

"When immediate measures should be taken to prevent imminent danger or injury of a serious kind to the public, the seniormost Police or Military officer present on the spot may give the written authority instead and the same shall be communicated to the nearest Magistrate forthwith."

And in clause (2) I say:

"Before the assembly is fired upon the fullest warning should be given by all

available means to the assembly that, unless it disperses within a given time, it will be fired on."

And in clause (3) :

"The person given the authority to fire shall ordinarily give such interval between the warning and firing as he considers sufficient in all the circumstances of the case."

I leave the discretion to him ; I know the difficulty of making up your mind on the spot, but still I make the person giving the authority the judge. Then I ask for a full report. I insist upon this as rather important because oftentimes you get inaccurate reports in the Press and in the public platform about occurrences, and official versions often have additions or accretions as time goes on, so that in cases of this sort where severe measures are adopted the law should provide a safeguard that there should be an immediate report made on the spot when the facts are fresh. I cast that obligation on the officer who resorts to it. The last clause is the most important, namely, giving the right to "any person injured by the use of fire-arms or any parent or guardian, husband or wife of a person killed by the use of fire-arms" to make "a complaint against any person for any offence committed by him by reason of any act purporting to be done under this Chapter." As I stated before, my object is to improve the law, to impose restrictions, necessary restrictions, reasonable restrictions and that people who have to perform this unpleasant task should know and feel that they are entering upon a serious task. If there are provisions of law they will be guided by them and will think twice and thrice before they resort to the use of fire-arms. While I do not restrain the use of fire-arms, I impose reasonable restrictions and limitations as to when they should be used. There may be many improvements which may be suggested in the course of discussion in the Select Committee. The principle that the law should be improved has been accepted by Government already, because they themselves introduced a Bill but later on withdrew it. The only question is to what extent we should improve it. That question can be safely left to the Select Committee. There is no object in the Government flying away from the question. The question has got to be faced. There is a lot of public feeling in the matter and the law must be improved. I therefore ask the House to accept my motion.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, the object of my Honourable friend's Bill, as stated in the Statement of Objects and Reasons, is to guard against the indiscriminate use of fire-arms for the purpose of dispersing an unlawful assembly, and all reasonable men must be in agreement with that. The subject is one, as my Honourable friend has said in his opening speech, of the greatest importance. It is of the greatest importance to the citizen that fire-arms should be used in dealing with mobs with the greatest care and discrimination, but it is equally of great importance that when force has to be resorted to, it should be resorted to in a manner that will curb the disturbance of the peace in an effective manner. On that subject my Honourable friend and I are in entire agreement. My Honourable friend has mentioned that there are executive instructions which correspond very closely to the provisions of this Bill, but he wants them to be given statutory effect. I would point out, Sir, that statutory effect is a very different thing from executive instructions as he himself has recognised, and we must be careful lest in our desire to protect the rioter

from a misuse of force we should forget the claims of the general public to be protected from those gusts of passion which shake this country from time to time. One recent instance has attracted the notice of my Honourable friend, because quite recently I heard him put questions on the matter. I am glad that the mover referred to the extremely unpleasant duty that falls to the lot of an officer who has to suppress mob violence by ordering firing. I can imagine no more difficult position for a humane man than to have to judge between the danger of allowing the peace of a whole town to be wrecked and deciding to take action which must result in the loss of another fellow-creature's life. It is one of the most painful positions to my mind in which any man can be placed, and he has to exercise his discretion on the spur of the moment—that is a point of great importance—he has to exercise it under conditions which are in themselves of a very trying nature. I do not know whether my Honourable friend has ever been a rioter or ever seen a riot. I presume that he has never been a rioter, but has he ever seen a riot? I have seen a riot. I am not talking of India, but I may tell him I have seen a riot in one of the big continental cities, and it is one of the most appalling things to see and makes one feel how close to the surface the beast in man is on occasions. The roar of the crowd has ever since remained in my memory. When passions are roused to a degree of blood heat the officer responsible for the life and property of those under his charge has to take a responsibility which I believe to be one of the greatest that can be given to any human being. To meet a man in battle is one thing. You know what you are about. But to deal with a mob is a thing that demands not only courage, but cool-headedness and quick decision. It is not merely that the decision must be made—It must be made at the right time. Before I pass on to the Bill itself I ought to have mentioned one thing which is not quite accurate in my Honourable friend's speech. Sir William Vincent never actually moved a Bill here. He did not move any Bill here and it was therefore not withdrawn.

Diwan Bahadur T. Rangachariar : He moved it in the Council of State and got it passed.

The Honourable Sir Alexander Muddiman : Not in this House.

Diwan Bahadur T. Rangachariar : Then it was placed on the table of this House as passed in the Council of State.

The Honourable Sir Alexander Muddiman : He never moved it in the Assembly, and the motion was not withdrawn.

My Honourable friend said a great deal about the peaceful crowds of India and that it is very easy to restrain crowds in India. I agree that this is so up to a certain point, and that unless inflamed by religious passion or some powerful motive the ordinary behaviour of an Indian crowd, I agree on the whole, is peaceful. But let me tell my Honourable friend who has never seen a riot that when it is inflamed by those passions there is no question of peaceful behaviour, and the mob shows its terrible nature as many of the occurrences in India indicate only too truly. It may be said, and no doubt will be said, that men may lose their heads in dealing with these occurrences. In what country do men not lose their heads? When you have officials like gods who can face these cataclysmic outbreaks with a precision and firmness that can hardly be demanded of humanity, then you will be able to dispense with any law in the matter of dealing with a mob. It is perfectly true that

there have been and will be in the future, whatever your rules may be, occasions when officers lose their heads—that is undeniable, but the exception does not prove the rule. My contention is that, speaking generally, the thanks of this House are due to those who carry out duties of a very unpleasant character with a single eye to the dictates of their duty. I am glad that my Honourable friend recognises that these duties are now often mainly carried out by Indian officers and I should like in this connection to pay a tribute to many Indian officers who in circumstances of great difficulty have shown great discretion and great courage.

Sir, I will now turn to the provisions of the Honourable Member's Bill. I would first point out that it relates solely to the use of "fire-arms". In this connection I will suggest to the House that in dealing with this question of the use of force to suppress disorder, it is undesirable to discriminate between the use of fire-arms and forms of force.

My Honourable friend's clause makes a point of the distinction in a way that he could hardly have wished if he had considered the matter more fully. He says :

"Fire-arms should be used only if such assembly cannot otherwise be dispersed."

Now, Sir, the first question I would put to this House is who is to be the judge of whether the assembly cannot otherwise be dispersed. Is that to be a matter for judicial finding, subsequent to the use of fire-arms ? That is one point. Then I do not wish to make merely dialectical points but this procedure would require of an officer in charge of a squadron of cavalry armed with lances and carbines to direct a charge on the mob before he directed firing. Now, I cannot believe myself, (I am not a soldier and I am speaking subject to correction), that a charge by lancers is a more humane method of dispersing the mob than carbine fire. The same argument applies to the case of infantry armed with bayonets. Under the proposed provision, the duty of the officer commanding would be first of all to see if a bayonet charge would disperse the assembly. The inevitable result of that will be, whether the charge was successful or not, that the mob would be brought to a state of great violence. If the charge failed, the infantry would probably be torn to pieces. If it did not, the number of injured would be far more serious and the passions of the mob greatly inflamed. That will be the effect of my Honourable friend's provision. The next point in the clause which I have to refer to is that it says there must be a written order. Now, what is the object of this written order. Has there usually been any question as to whether the order to fire was given or not ? That was not the question. The general question is whether the order was given too soon or too late. Take the case of a person in charge of the police facing rioters. As is often the case, there is a Hindu mob on one side and a Muhammadan mob on the other and there is a thin line of policemen between. The mobs on both sides are threatening. Brickbats are thrown. Perhaps a shot is fired from a house. At any moment the two mobs may be at one another and the police would then be torn to pieces. The order to fire must be given in writing. Would you take a pencil and paper at such a time and write down the order. Does my Honourable friend require the words "Fire, Sd. A. P. M." to be written down ? Or does he want an officer to write "Whereas I, Jhon Jones, Sub-Divisional Magistrate of the first class, have come to the conclusion that the moment has arrived to fire" etc., etc.,

I admit there are some cases where it is quite possible to give the written order but these are not the ordinary cases. They are the exception rather than the rule. Now, Mr. Bray was telling the Assembly the other day about the Kohat riots. Does any one suppose that any useful purpose in a case like that would be served by requiring a written order? This clause further requires the Magistrate of the highest class to make the order. It is quite reasonable that a Magistrate should give the order wherever possible, but if you have a provision of this kind in the law, and it is not complied with it becomes an invalidity. Take the case when there in an Honorary third class Magistrate. There is a communal riot going on. These things often happen and there is no use in hiding facts. The Magistrate will not take the responsibility. The policeman has got to act. If he acts with this clause before his eyes he has to break the law because there is no order and if he does not act, he will be broken for not stopping the riot. He is between the devil and the deep sea. I do not think my Honourable friend really wants to bring about such a state of things. Then again I have heard it said, though my Honourable friend did not say this for he is far too good a lawyer to use an argument of this kind,—I have heard it said—that a written order and reading of the Riot Act is required by English law before force can be used to disperse a mob. Now, that is not so. I will just explain what the English law on the point is. It is this. There is no restriction on the use of force against a mob imposed by the Riot Act. The discretion of the officer is absolute. If you have the Riot Act read, as it is called, though it is an improper way of putting it, then any one who remains in an assembly thereby called upon to disperse for one hour after the reading of that Act is guilty of a felony and that is the only advantage you get by reading the Riot Act. I apologise to my Honourable friend for using an argument on a point which he did not raise but I thought I had better clear it. So much for clause 1.

Now I come to clause (2). It reads :

“Before the assembly is fired upon the fullest warning should be given by all available means to the assembly that unless it disperses within a given time, it will be fired on.”

That again is an excellent executive instruction. Our executive instructions require, as my Honourable friend recognises, that warning should be given before firing. When you lay it down as a condition in a law that you must give full warning, then the position becomes more difficult. Who is to decide what is a given time? Who is to decide that time? Is it the Magistrate or the mob? I assure you it is the mob who often decide what is the given time. I have seen with my own eyes a worthy Hindu Deputy Magistrate running for his life and the mob were then deciding the given time.

Diwan Bahadur T. Rangachariar : Then do not appoint a Hindu as a Magistrate.

The Honourable Sir Alexander Muddiman : I am sorry. I cannot say whether he was a Hindu or a Muhammadan. I ought to have said an Indian. Now, I quite agree with my Honourable friend that warning is most desirable and an interval should be given if possible, but you cannot lay it down as a hard and fast provision of the law. If you do, you get into a position which it is perfectly impossible to accept. I am not speaking now from the point of view of Government. I am speaking from the point of view of the ordinary citizen. It is generally the ordinary

citizen that suffers in the end. It is his house that is burnt, it is his banker's books that are stolen and it is his grain that is looted.

Now the next clause reads :

"The person given the authority to fire shall ordinarily give such interval between the warning and firing as he considers sufficient in all the circumstances of the case."

There again we have the same difficulty. The officer may consider the time sufficient but the mob may not.

Diwan Bahadur T. Bangachariar : I am not concerned with the mob.

The Honourable Sir Alexander Muddiman : Unfortunately the officer placed in that position is. I agree that warning should be given wherever possible, but you cannot make it a rule. There may be cases of deliberate defiance of the law where you know that you can tell the mob if they do not disperse within one hour, something will happen. Warning may be possible in such cases. But this is one case out of 100. In the other 99 cases the situation arises suddenly and it would not be possible to give an interval between the warning and the firing. They have to be suppressed in a hurry and there is no time for warning. And mind you one other thing. If you warn the mob in time and wait and the mob gather and attack you, what happens? Your policemen are torn to pieces. It is not a case of pulling off their *pagris* but of pulling off their heads.

As regards clause 4, I see no objection to it. I have not examined the drafting of it, but it requires that :

"A full report of the occurrence shall be made in all cases when such assembly is dispersed by the use of fire-arms to the nearest first-class Magistrate within twenty-four hours of the occurrence, and such report shall be a public document."

Now, I can see no objection to the general principle. But may I tell you one thing and that is a remark based on experience. My Honourable friend has said, and he has said rightly, that very often the first reports that are given out contain inaccuracies. That is perfectly true and I will tell you why. Those first reports are written when the rioting is still going on and the full facts are not known to the authorities. Take a recent case. We had a riot in Delhi. I think it went on for two or three days. I was pressed considerably to publish at once a statement of what I had received. I declined to do so, because I was perfectly well aware that it was only a partial report, and that was borne out when we received the full report, when it turned out that rioting had not been confined to one quarter but had spread to other quarters. We must always bear in mind that inaccuracies in the early reports are not necessarily a sign of a desire for concealment. They occur very often because the early reports are sent in when the rioting is still going on, and therefore in some ways a premature report is misleading and even dangerous.

The next point raised by my Honourable friend is clause 5, which runs :

"If the person is himself a first-class Magistrate his report shall be made to the District Magistrate, and, if the person is a District Magistrate, his report shall be made to the Local Government."

Well, that follows on the other and I have no comments to make, although it may require a little examination as to the form in which it has been cast ; but to the general principle embodied in the clause under consideration I see no objection.

Now the last clause is one which my Honourable friend emphasised, I think, because he felt he had the English law behind him. What he emphasised and pressed was this question of the right to bring a complaint. I do not think I need read out the law as so many in the Assembly are lawyers, but as Honourable Members know, under the law it is provided by section 132 that prosecutions in these cases require sanction ; in the one case they require the sanction of the Local Government, in the other of the Governor General in Council. Well, my Honourable friend pointed out, and rightly, that there is no such provision in the English law : that is, the sanction of the Government is not required by that law. He proposes that—

“ Any person injured by the use of fire-arms or any parent or guardian, husband or wife of a person killed by the use of fire-arms may make a complaint against any person for any offence committed by him by reason of any act purporting to be done under this Chapter.”

Now, the only change in the law is that it dispenses with the sanction of the Governor General or the Local Government, as the case may be. In this connection I should like to read to the House a short extract from Dicey's Rule of Law, where he makes what I think is quite a good point. He is quoting from a French writer, a jurist of standing. He says:

“ Under every legal system the right to proceed against a servant of Government for wrongs done to individuals in his official capacity exists in some form or other. The right corresponds to the instinctive impulse of the legal victim to seek compensation from the immediately visible wrong-doer. But on this point the laws of different countries have utterly different tendencies. There are countries such, for example, as England and the United States, where every effort is made to shelter the liability of the State behind the personal responsibility of its officers. There are other countries where every effort is made to cover the responsibility of servants of the State behind the liability of the State itself to protect him against and to save him from the painful consequences of faults committed in the service of the State.”

“ Those are entirely different points of view. The English law abandons its agents to the mercy of the law Courts. The French law takes the liability upon itself and protects its servants. Now, it is not for me to attempt to tell this House what the right line is in India. We who speak on this side are often told that we know nothing about the customs of the people and the habits of the country. But I will say this. I have lived 25 years in this country and I have been brought into touch with a great many people in this country, and it appears to me that you cannot draw a just parallel between the position in regard to suits against officers charged with the administration of these provisions in England and in India. Sir, the last big case of firing in England on a mob, and it was a leading case and is still the *locus classicus*, was the Acton colliery case in 1893. I think I need hardly develop the point that the use of fire-arms in India is far more frequent than it is in England. You have to go back some 50 years for a big case of this kind over there ; while here you have only got to turn over the pages of the papers for the last few months to see the difference in that respect. But you may say, where does that lead you ? It may simply lead you to this, that more care is used in England in these matters and the mere fact that this provision

exists which enables a suit to be brought without sanction is itself a thing that prevents these occurrences. Sir, that can hardly be supported. I think my Honourable friend would not argue that. (*Diwan Bahadur T. Rangachariar* : " I would ".) Well, I think my Honourable friend would be carrying it very far if he did ; and since he is going to argue that I will develop my point a little further. It is this, that the need for the use of fire-arms is far more frequent in this country. It is due—I do not wish to go into details—but it is due very largely to communal differences, to racial differences and to religious differences. (*Diwan Bahadur T. Rangachariar* : " And the nervousness of the police ".) Well Sir, I have followed the history of the Indian police, and I think that whatever faults they have, they are not nervous. They have many faults; officers in charge of them occasionally lose their heads; I admitted that from the beginning ; but the nervous police constable I have yet to meet as a common object.

Well, to return to the last clause, the right of complaint, which was pressed by my Honourable friend. I am not going to take the usual line taken on these occasions and say, " well the Government would never refuse sanction in a good case ". Sir, I have found it useless to protest in this House that Government would not refuse sanction. I do not think it would but the House will not be convinced by that. That argument I am going to use is this. The nervous policeman will arise the day he finds that he is liable to a suit if he fires. That is when you will have your nervous policeman. The fear of suit may very well not deter a man from doing what he ought not to do; but it may deter him from doing what he ought to do in the interests of the remainder of the population. And that, Sir, is certainly a thing to be greatly feared and I honestly believe it is to be feared. Did I use the word: " suit " ? It was of course a slip. I meant " criminal prosecution ". Of course the principle of sanction to the prosecution of public servants is already well recognized in the Indian law in many cases, though it is not recognized I believe in the English law. My Honourable friend tells me that in certain cases sanction is necessary in England. That may be so, but here at any rate it is a well-known principle and is recognized in Indian law.

There is one other thing before I close, I think I have dealt with the main points in my Honourable friend's Bill, but he used words that I think I cannot pass over without comment. He referred to the distrust of the people in the officers of Government. Now, Sir, if there is one occasion when the people do trust officers of Government, it is on the occasion of riots. That, Sir, is not a suggestion ; it is a fact. I may tell him that during the Delhi riots and the Agra riots, the people showed the greatest thankfulness to those British troops who were brought down to hold the streets during the riots. They brought them tea, milk and other refreshments and there was certainly no question of distrust. I am afraid, Sir, it is in the normal peaceful days that distrust is felt: the distrust is much less on these occasions than in the normal peaceful days, when, perhaps, their services are not quite so fully appreciated. I hope I have not made my Honourable friend feel that I am in any way opposed to what he has at heart as much as I have. I have endeavoured to point out briefly the practical difficulties which attend the provisions of his Bill :

Mr. President : The question is :

" That the Bill to provide that, when fire-arms are used for the purpose of dispersing an assembly, preliminary warning shall, in certain circumstances, be

given, be referred to a Select Committee consisting of the Honourable the Home Member, Mr. M. A. Jinnah, Dr. H. S. Gour, Sardar Gulab Singh, Mr. B. Venkataswami, Raja Ghazanfar Ali Khan, Mr. H. Tonkinson, Mr. T. C. Goswami, Mr. B. C. Pal, Pandit Madan Mohan Malaviya, Mr. W. S. J. Willson, Colonel J. D. Crawford and Diwan Bahadur T. Rangachariar, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be seven."

The motion was adopted.

PART II.**Extracts from selected speeches delivered in
in the Council of State.**

9th September, 1924.

RESOLUTION RE SETTLEMENT OF THE SIKH QUESTION.

THE HONOURABLE SARDAR JOGENDRA SINGH (Punjab : Sikh) : Sir,
I move :

"That this Council recommends to the Governor General in Council to appoint a Reconciliation Board to consider the whole Sikh question and to promote its settlement by mutual agreement."

I am moving this Resolution after a great deal of careful thought. As the only elected representative of the Sikh community in this Council, I feel it my duty to place all the facts before this Council in the hope that our combined efforts may find a solution. I am conscious that what is likely to embarrass my Government is no less likely to embarrass my community. I realise fully the need, one of the greatest needs, of our times, is to preserve law and order and to uphold the authority of the State. The Sikh community, as a whole, stand firm in support of the State. Take for example the Hindu-Muslim trouble at Amritsar. The Sikhs came forward to help the Government, and I can affirm without hesitation that to-day, if the call came again, the Sikhs would join in large numbers the army to defend the Empire. I am sure His Excellency the Commander-in-Chief will support me in this as he has been recently touring in the Sikh districts. Then, Sir, there can be no greater test of loyalty than the desire of a community to serve the Empire in its armies. The Sikhs as a body are anxious to keep their religious movement free from politics. I have no hesitation in declaring that my community would be fully satisfied if their absolute right to govern their Gurdwaras was fully recognised by a legislative Act. This is all we want. I have for nearly four years endeavoured, without coming before this Council, to assist in finding a solution. I must freely acknowledge the kind and considerate hearing given to me by both the Punjab Government and the Government of India. The question has been on the brink of solution. An agreement was very nearly reached when General Sir William Birdwood came on the scene ; but somehow the Birdwood Committee never came into existence and private negotiations never took shape. The negotiations were broken off so far as one could understand from the newspapers when a settlement was practically reached. I am sure that the Birdwood Committee would have reached a settlement if it had come into existence and if it had been given a free hand and allowed to proceed on its own lines. I think I am revealing no State secret in mentioning that I warned

both His Excellency Sir Edward Maclagan and General Sir William Birdwood, whom I am glad to see here to-day, not to follow the methods which had failed before, but to take a new line of free and open discussion with all the members of the Sikh community. The question in itself is very simple. The Sikhs wish to restore the control of the Sikh congregation over their places of worship. The history of the Sikh Gurdwaras goes back to the earliest days when the Sikh religion was founded. The present difficulties crystallised a generation after the annexation of the Punjab. From time to time the community used to appoint suitable men to administer Gurdwaras and the lands attached to Gurdwaras with the purpose of propagating the Sikh religion and maintaining a free kitchen. Good and saintly men were nominated and they made our temples and shrines centres of the Sikh religion. These *sewadars* or servants depended on the approbation of the Sangat or congregation. Things however changed with the annexation of the Punjab. The community was bewildered and the *sewadars* were entered as owners not only of the lands and endowments but even of the temples in some cases. The men in occupation were men who enjoyed public confidence, and the community did not realise that any rights were being conferred on them till this generation of experienced old workers had passed away. It was then that the change which had actually taken place became apparent and the community realised what had happened and appealed for help in vain. The Courts were powerless to interfere and the Government, too busy to take notice of the views of the community, paid no attention. I have ventured to bring this question before this Council because I am confident of the support of Hindus and Moslems and our old friends the English officials. Hindus are the bone of our bone and the foundation stone of the Golden Temple was laid at the instance of our Guru by a Mahammadan saint Mian Mir. For nearly three generations English and Sikh blood has mingled on many a battlefield. That is why every Sikh expects whole-hearted support in his desire for Gurdwara reform. Nothing surprised and hurt him more than the lukewarm consideration which the British official gave to his earnest desire for reform. It is said when Mansur was being taken to the Cross men threw stones at him and he smiled, but when a friend pelted him with a flower he wept. This is how the Sikhs feel when their friends laugh at their desire to make their Gurdwaras the centres of the Sikh religion and accuse them of violating the laws of the State.

I will now give you the history of two or three Gurdwaras as most of the Council are not acquainted with the history of the Sikh religion. Take the Golden Temple first. It was founded by Guru Ram Das and Arjan Dev. Of him Jehangir wrote in his Tuzak :

"So many of the simple-minded Hindus, nay, many foolish Musalmans too, have been fascinated by his ways and teachings."

The Golden Temple and the Akal Takhat are our most sacred temples. These temples more than once passed out of our hands. Ahmed Shah Abdali razed them to the ground, but Jassa Singh restored them. His descendants are here to-day and may as well claim the temple as their heritage. It was again destroyed by the Durani conqueror in 1763 and once Massa Rangar took his seat in the temple. The Sikhs took possession of the temple and restored it again and again. Who dare say that the temple belongs to any particular

person and that other communities have a claim? It is the temple of the Sikhs and shall remain the Sikh temple to the end of the Sikh religion. It was this temple where the Puritan Sikhs were refused admission; it was here that Government wished to maintain their own management. That is how the trouble began and is continued, because it is held that private people had acquired hereditary rights in the House of God.

Now let us turn to another temple, Nankana Sahib, the birth-place of Guru Nanak, the founder of the Sikh religion. The place is most sacred to the Sikhs, and the lands now attached to the temple were bestowed by Maharaja Ranjit Singh, who told Baba Sahib Singh Bedi to go out on horseback and all the lands that he could go round before dinner would be given over to the temple. The Baba galloped his horse and covered as much ground as he could and this secured the large endowments which we are asked to surrender to a profligate Mahant. Who are these Mahants you may ask? The Sikhs considered it as poison to use any offerings and asked the Udasi or ascetic Sikhs to serve in the temples. The three last Mahants or abbots at Nankana Sahib were men of loose character. Sadhu Rama and Kishan Dass died of venereal diseases. The present Mahant Narain Dass snatched the keys out of the pocket of dying Kishan Das, got hold of the money and made himself the Mahant. At the time of his succession, in the presence of a Magistrate, he promised to behave as befitted a religious teacher. He declared in writing that, if he was proved to go wrong, he would abdicate at the bidding of the Sangat. He soon began to drink and keep women, had children and built houses for his mistresses and started nautches in the temple. It was he who killed in cold blood over a hundred Sikhs. He is now undergoing a life sentence. It is at his behest that the Court appointed a receiver, a Muhammadan Patwari to manage an estate yielding over a lakh and a half per year! The Sikhs were put in possession and are now soon to be turned out, all in the name of law and order. Can anything be more provoking? It was at the martyrdom of the Sikhs at this place that the following words were added to the Sikh prayer:—

“Those who, to purge the temples of the long-standing evils, suffered themselves to be shot, cut up, or burnt alive with kerosine oil, but did not make any resistance or utter even a sigh of complaint: think of their patient faith and call on God!”

There is another decree to be executed at Gura-ka-Bagh. The Mahant was a bad character. He submitted in the early days, he and his mistress were baptised Sikhs. He went back on the arrangement and claimed a plot of land, the Government offered him assistance and later hundreds of Sikhs were mercilessly beaten. Men who had gone to the battlefield as soldiers of the Empire were beaten in cold blood. How any British officer could tolerate it passes my understanding.

It was not without tremendous provocation that the Sikhs, tired of Courts and law suits, decided to reform the Gurdwaras. The servants of the temples had given themselves up to wine and women, and in some cases sold Gurdwara properties. I am sure no community could tolerate such desecration of their temple and wait and watch for the coming of a legislation, which, in spite of their sacrifices and many promises, is not in sight. The conditions in our

temples are much the same as told in the Church History. I might just quote from it :

"There is no need to recount in detail the misdeeds recorded against them ; suffice to say that charges of immorality, hypocrisy, and luxurious living were proved against the majority up to the hilt, and not denied. If vows of chastity, self-denial, and poverty could not furnish safeguards against breaches of the moral law they deserved to be done away with. The acknowledged bad character of many who professed excessive piety brought all religion into discredit ; and the notorious scandals to which they gave rise, combined with the attempts made by ' foreign ' houses to denationalise the ancient Church, made all true-hearted Englishmen hail with satisfaction the various Acts of Parliament by which the land was rid of their evil influences."

The Sikhs to-day expect in the same way every Englishman to rejoice in the attempt of the Sikhs to rid their temples of these bad characters and to support them so that their centres of religion may be purified and these large endowments may be used for charitable and good purposes.

Some of our religious abbotts have been convicted in Courts for offences which would prevent their appearing in decent society, much less permit them to preside over religious institutions. What would you say if a Church and the lands attached to it were claimed by profligate priests as their private property ? The Sikhs tried to get redress in ordinary Courts, they applied to Government for long years but without any success. Can you blame the Sikhs for their decision ? They hoped, the hope is not even now dead, that the Government was their friend, and once they proved they were in earnest the Government would come to their aid. They decided to accept self-suffering in holding to the principle, that principle simply being that the community must resume full control of their Gurdwaras and temples. Is it right to think that such a large number of men are nothing but dupes and they deserve no consideration whatever at the hands of the paternal Government ? The Government must be guided not by mere perverseness but by some right principle. The struggle still continues. Thousands of good and simple-minded men are in jail and thousands prepared to take the place of those who are ushered peacefully into prison. So far as I can see, this will continue till the Sikhs obtain what is theirs by right. A great many side issues have been raised. It is said that there are other communities concerned in the Sikh Gurdwaras. I can assure you that the Sikh temples essentially belong to the Sikhs. They are open to all communities who come there for worship. It is not our intention to close the temple doors. We want to fling them wide open. I challenge the Government to show if there is any Sikh temple that has been built or endowed and maintained by any other community but the Sikhs. I challenge them to show if the vows taken by Udasin permit their acquiring any personal property. If the congregation attending the temple is no other but a Sikh congregation and if in the temple there is no other worship but as laid down in the Guru Granth Sahib, then the contention that other communities are concerned is much too far-fetched to deserve any attention.

If I may for a moment linger I should like to describe to you, Udasi, Nirmalas and Sikh proper.

- (1) The Udasin is a Sikh who puts on the yellow robe of a mendicant and gives up the life of a householder. He has been greatly

respected, but he has never claimed to belong to any other fold. Indeed, at times of stress, Udasins have been fighting in the forefront in the wars which the Khalsa waged in the days of old and he has been the pioneer in propagating the Sikh religion. You might as well speak of a Christian monk as following some other religion than Christianity.

- (2) Then we have the Nirmalas who again take the vow of devotion to religion but they too like the Udasins form an integral part of the Sikh community. When ordained they receive their baptism exactly like any other class of Sikhs, i.e., they are given the Amrit in the same form as other Sikhs. They, like Protestant priests, dress distinctively and can marry.
- (3) I need not define to you the Sikh proper. He is a householder devoted to agriculture and other occupations. He is always ready to defend his religion and its freedom. He believes in one God and His justice, and believes in the protection which pure steel offers, hence the wearing of the Kirpan. This is what our Gurus have taught us.
- (4) Then there are the Sahajdharies or laymen. They may be Hindus or Muhammadans who are attracted by the Sikh teachings and yet are unable to take baptism which would give them admission to brotherhood. The bulk of this community are Sikhs. They make up 99 per cent. of the population and that is why they claim a decisive voice as to the governance of our temples and shrines. It is they who have made endowments. It is they who have given lands. It is they who have built temples and it is they who have given their lives for them. It is they who maintain the Udasins and the Nirmalas.

The Government can at any moment by a referendum to the whole Sikh population ascertain the views of the community. We as Sikhs claim that it is the Government who in the beginning made the mistake of entering as owners men who had no rights of ownership. It is now for the Government to cure the defect for which they alone are responsible. We are frequently told that Government will welcome any legislation which the Sikhs would bring into the Council, but the Government are aware that a minority community like ourselves in the Councils has absolutely no chance of carrying through any legislation which is not in the first instance approved of by the Government. That is why we have been trying to reach an agreement beforehand before introducing any legislation in the Council. We want a simple Act, restoring to the community all lands and temples and shrines that are ours, the whole Punjab knows it, and if the Government raise any objections those objections are raised owing to apprehensions which have nothing to do with the Gurdwara question. A simple notification in Kapurthala State has served the purpose. It runs :—

- (1) That all historic Gurdwaras and Dharmshalas would thenceforth be under the direct management and control of an elected General Committee of Sikhs inhabiting the Kapurthala State.

- (2) That all village Gurdwaras and Dharmshalas would be managed and controlled by local Sikh Committees.
- (3) That all property (moveable and immoveable) attached to historic and other village Gurdwaras and Dharmshalas, which had hitherto been shown in revenue registers against Sadhus and Mahants, would at once be mutated in favour of Sri Guru Granth Sahib.
- (4) That all Sadhus and Mahants leading vicious and wicked lives or not following the main principles of Sikhism as laid down by the Panth would be, after having been given an opportunity to reform themselves, at once turned out of the Gurdwaras or Dharmshalas.
- (5) That the General Committee would manage its work in accordance with the wishes of the Tahsil sub-committees, the members of which will be elected according to the rules prescribed by the Shromani Gurdwara Parbhandak Committee.

In the name of the Sikh community, speaking with authority, I affirm that if Government give us a simple Act containing the substance of the clauses I read out to you we shall accept such an Act with gratitude and do all in our power to work it in a moderate, generous and chivalrous spirit. The following resolutions were passed in 1921 and give an indication of the Sikh spirit:—

(1) That all Sikhs arrested by the authorities in connection with the Gurdwaras should be released.

(2) That the Panth strongly resents and condemns the action of the authorities concerned in arresting the Sikhs from Gurdwaras in various places and handing over the same to their previous Mahants and Pujaris.

(3) That pending the enactment of legislation on the lines suggested by the Shromani Gurdwara Parbhandak Committee for the management of the Gurdwaras and other religious charitable institutions of the Sikhs, the control and management of Gurdwaras be left in the hands of those who were exercising such control at the time when the arrests of the Sikhs began in various places.

(4) All efforts of the Panth to make the Government alive to the pressing need of reform in the Sikh Gurdwaras and charitable institutions having failed, the Panth standing before the Akal Takht in the presence of the Guru resolves solemnly that, if the innocent Sikhs arrested are not released and a satisfactory legislation of the Gurdwaras is not passed up to the 10th April, 1921, the Sikhs will consider it an interference with their religious rights and will be compelled to resort to all necessary means of reforming the Gurdwaras themselves.

(5) The Guru Panth calls upon every Sikh to join the Akali Jathas to effect the reformation of their Gurdwaras.

(6) As by the grace of the Guru, the Sikhs during this hour of trial have shown the greatest fortitude and self-control, so the Guru Panth ordains that in future, too, they should similarly maintain their calmness and self-restraint in the face of even greater hardships and should never be prompted by an idea of revenge or retaliation. Thus should they remain faithful to Sikhism up to the last breath."

I need hardly add that, however, unimportant a community we may be considered to be and that we cannot cause any inconvenience to the Government, we may be driven out of our Gurdwaras, but we shall never admit defeat. We are determined to assert our religious

freedom in the sense of having full control over our Gurdwaras and temples. We shall return again and again till we recover our Gurdwaras, so help us God. We stand for justice, fair play and equality for Sikhs and Sikh States. The Government can immediately close the chapter by introducing the necessary legislation and by a promise to release our prisoners.

There is one more point I have to deal with. Supposing we have a temple in an outside place, supposing our rights to worship there are interfered with, are we wrong in looking up to our Government to protect our rights there as in our own country? Can you imagine an English congregation being refused admission to a Church in China? Can you imagine a congregation of Englishmen going to worship being stopped and fired at?

Can you imagine the British Cabinet and the British Parliament sitting with folded hands without protecting the rights of its subjects? This is what has happened in a neighbouring place. Our Government has taken no part in the inquiry or in asserting that its subjects have the fullest right to enter and worship there.

THE HONOURABLE MR. J. P. THOMPSON (Political Secretary): I rise to a point of order, Sir. Is the Honourable Member in order in referring to the administration of a State which is under the suzerainty of His Majesty?

THE HONOURABLE THE PRESIDENT: The Honourable Member is aware of the rule on the subject and I must ask him to keep within its provisions.

THE HONOURABLE SARDAR JOGENDRA SINGH: With your permission, Sir, there is this point, I think it is a very important point which will have to be considered, whether Indian nationals outside India anywhere have their rights, and if the Legislative Councils have no right to express their views on that subject. That is the point, Sir, on which a ruling is required.

THE HONOURABLE THE PRESIDENT: I have given my ruling. The Honourable Member may proceed. Incidentally I would draw his attention to the fact that he has now only three more minutes in which to conclude his speech.

THE HONOURABLE SARDAR JOGENDRA SINGH: I leave out any reference to that matter. At the same time, before proceeding with my speech, I should like to point out that it is a question for the Government to consider whether the Legislatures in India have no right to express any opinion or protect the rights of nationals here or outside.

Briefly speaking, I conclude my remarks by summing up what the Sikhs desire. We have heard in the newspapers for the last month or so what the Government are prepared to do. Well, the Sikh demands are:—

- (1) Immediate legislation restoring to the community the control of the Gurdwaras.
- (2) The release of all prisoners sentenced in connection with the Gurdwara movement on the passing of the Act and the withdrawal of cases and cancellation of notifications now in force.

Can you tell me that our demands are unreasonable? I am the only elected representative of the Sikh community in this House, but I have faith in the wisdom of this House in which I have worked for the last four years. I have faith in my Muhammadan, Hindu, Parsee and English colleagues to take a broad view of the matter and help the Government to reach an immediate solution and thus save a loyal and law-abiding community from ruin, even if it be granted that a few members of my community are guilty of transgression. I ask nothing more than what the Government have already sanctioned, the appointment of the Birdwood Committee to deal with the problem. I can promise you that, if such a Committee is appointed, the Sikhs will prove as good friends as in the past. You have only to refer to what was done by King Henry when such a situation arose. I think most of my Colleagues know how King Henry dealt with the question. Possibly we are 400 years behind the times. The same sort of legislation is required in India now to meet the need of the moment. The mistake was originally made by the Government by making these entries, and it is now for the Government to remedy the defects they created.

As a loyal subject and well-wisher of the Government, can I silently see a whole body of industrious and loyal workers like the Sikhs being converted into a discontented class over a religious question without doing my utmost to restore the old relations between the Sikh community and the Government existing since the annexation of the Punjab?

THE HONOURABLE THE PRESIDENT: Resolution moved:

"That this Council recommends to the Governor General in Council to appoint a Reconciliation Board to consider the whole Sikh question and to promote its settlement by mutual agreement."

THE HONOURABLE MR. J. CRERAR (Home Secretary): Mr. President, I should like to be the first to acknowledge, on behalf of Government, as I am sure the whole House will acknowledge, the sincerity, the earnestness and good-will which have inspired the Honourable Sardar in moving this Resolution. If I apprehend the Honourable Member's position correctly, he yields to no Sikh in his fervent desire for the maintenance of the Sikh religion, for the regulation by that community of their communal institutions and for the vindication of all their just claims and rights. I think he deplures, as much as Government and any other friend of the Sikhs must deplore, the results of a barren and acrimonious controversy and the adoption by a certain section of that community of methods which are as little calculated to attain their ostensible objects as they are inconsistent with good citizenship and the rights of other communities.

And on these considerations the Honourable Member is deeply impressed with the urgent importance of exploring every possible road to a remedy and a solution. Sir, I am not merely content to acknowledge the justice of these sentiments, though I am unable, for the reasons which I shall subsequently lay before the House, to accept on behalf of the Government the precise terms of the Honourable Member's Resolution. I hope to make it clear that, though it is my duty to oppose this Resolution, we not only respect these sentiments but reciprocate them. And not merely because they are just in themselves. I am not afraid myself to avow a certain partiality in the matter, and if I may intrude

a personal note in so grave a matter of public importance, I should like to say that, though I have never had the fortune to serve in a Sikh district, I have nevertheless had many opportunities of acquiring a close, and I think I may say not unsympathetic, acquaintance with the problems which confront, and I have many personal friends from amongst the Sikh community. I can, I hope, appreciate their many admirable qualities. I can respect their devotion to their religion and sympathise with their aspirations, and, most of all, we can all recall with pride and mutual congratulation their long and glorious association with the armies of the British Crown.

Sir, I do not abate one iota of these sentiments in approaching the Honourable Member's proposition. Government are as anxious as the Honourable Member himself to promote a solution and to restore the old relations—never completely severed, and shortly I hope to be completely restored—of cordiality and confidence. Our objects are the same and if we differ—and even so by no means by an insurmountable gulf—it is only in expedients.

I must, however, approach the proposition in the light of the general policy of the Government. That policy is a simple policy, it is a straightforward policy; it is the only policy which could be declared and acted upon by any Government alive to its responsibilities and determined to discharge them. It can therefore be simply stated, as it has been simply stated in a reply by His Majesty's Under Secretary of State in the House of Commons and in the following words:

"The policy of the Punjab Government, which has the full approval of the Government of India and of the Secretary of State, is to maintain order and public security by consistently applying the law against all offenders and at the same time to neglect no means of arriving at a suitable and equitable solution of the matters in controversy with due regard to all the interests that are affected."

A somewhat more detailed statement of this policy has recently been announced by His Excellency the Governor of the Punjab, and I will ask the permission of the House to read one or two extracts from that speech. His Excellency remarked:

"I cannot properly distinguish my own feelings from those of the Government, but if I attempt to define our position it is a genuine desire to save the Sikhs and not to destroy them. We wish to save them from the discredit and loss of position which must be the fate of a community which yields to the advice of those who for whatever motive attempt to inculcate a mentality which is contemptuous of the rights of other communities and subversive of the authority of the State. We desire to aid it to gain by legitimate and constitutional methods a full control over its religious institutions. We have never attempted in the past, nor shall we ever attempt in the future, to check it in the fullest exercise of its religious practices within the bounds of law and good citizenship. We have come into this matter not because we were actuated by any feelings of hostility to the religious aspirations of any section of the Sikhs, but purely because it is our duty to maintain law and order, to prevent invasion of the rights of other communities and to secure to individuals the peaceful enjoyment of any privileges secured to them by the verdict of our Courts."

That, Sir, is an expansion in some detail of the very brief statement of policy made in the House of Commons. With regard to what was spoken by His Excellency the Governor of the Punjab on the matter of the decrees of Civil Courts, I may remind the House that in executing the decrees and orders of the Civil Courts, the Executive Government are merely the instruments

of the judiciary ; and the judiciary in their turn, in pronouncing their judgments, are the instruments of the Legislature. Well, Sir, that is the policy of the Government in the matter. I will now indicate the action which Government have taken in pursuance of that policy. I will remind the House that, when this matter was under discussion in another place, Sir Malcolm Hailey, then Home Member, gave the following assurance :

"We shall consider with the Punjab Government whether it is not possible to find some better machinery than appears to exist at present for enabling the Sikhs to state definitely their claims and their grievances and, if possible, to enable them to find a solution in co-operation with Government."

The House is aware what steps were taken by the Punjab Government, with the complete approval of the Government of India and of the Secretary of State, to give effect to that assurance.

If the very distinguished soldier, whom we have recently had the privilege of welcoming as an accession and an ornament to this House, will grant me the indulgence of saying a few words personal to himself—I am afraid His Excellency will be reluctant to grant me that indulgence—I would say this, that Government could have no better proof of its genuine solicitude to arrive at a satisfactory solution of this question than its action in entrusting the task to his hands. He accepted it at great personal sacrifice and inconvenience and established a claim, which I now very inadequately acknowledge, on the gratitude of Government, and I think no one will contest it if I add, of the Sikh community and the Indian public. These efforts were sincerely made, but they bore no immediate fruit. I do not intend to dilate on the causes and the reasons why these efforts were infructuous. I will only say this, that as I do not wish to look back on the old controversies, the old quarrels, and the troubles of the past, but as I look forward with hope and confidence to the future, I will say nothing now, I will speak no unnecessary syllable, I will make no superfluous gesture, which could possibly prejudice these hopes and anticipations. I listened with the utmost interest to the remarks of the Honourable Sardar when he recited the history of some of the religious endowments of his community. I cannot see eye to eye with him either in his recital of the facts or in the interpretations which he placed upon the actions and intentions of Government ; but again, for the reasons which I have mentioned, I consider it unnecessary to go into controversies of that character. Mr. President, let us look to the future. The Honourable Sardar left me in considerable doubts as to the precise nature, the precise functions, of the Board or Committee which he contemplates. I merely wish to point out that if, as the actual terms of his Resolution imply, the duties of such a Committee were to cover the whole ground of grievances which have been alleged, or the claims which have been made by persons purporting to represent the Sikh community, we should have to travel not only over questions of the control of Gurdwaras, but over many questions involving constitutional points of a very wide implication, and I doubt very much whether the Government of India would be competent to give them the powers requisite for so wide an inquiry. But apart from that, I would ask the Honourable Member to reflect and consider whether the time is now quite opportune for the action which he asks the Government to take. Do those who have hitherto claimed to speak for the whole of the Sikh community—do they still predominate in

their counsels? Do the methods which have been adopted—the methods which we hear are still being persisted in—do they truly represent the methods which are accepted by the community as a whole? The Honourable Member has given us the strongest reasons for believing that that is not so. We have intimations that reasonable, moderate, opinion among the Sikhs is beginning to assert itself, and I invite my Honourable friend and his friends to exert themselves to establish that fact. Certainly, if negotiations are to be resumed with any reasonable prospect of success, the move in that direction, as things now stand, should come from the Sikh community as a whole; or if that is not yet practicable, it must come in a form which will render it possible for the whole community, not merely a party or a section, but for the whole community, to be fully, freely and effectively consulted. It is open to the Honourable Member and his friends to promote and to create such a situation and their efforts will command the sympathy and the applause, and ultimately the active co-operation of all true friends of their cause and their community. I have very little more to say, but I should like to quote the words used by His Excellency the present Governor of the Punjab in his capacity as Home Member. He said in another place:—

“Let me say, again, as I said before, that we have no feeling against the reforming section of the Sikhs and no bitterness. But it is only reasonable that we should ask that the Sikh community at large should recognise the position not only of Government but of other sections and communities in this matter. In an India which is rapidly rising to full nationhood, no one community can justly claim too great insistence on its own position or its own rights, and certainly there are other ways of preserving its religious and social institutions, than by those which run counter to the methods of good citizenship. I will say no more than that. It is no exacting claim on our part, and we do not make it entirely on our own behalf. If they will recognise this, then I do not think we should have to wait long for a return to happier conditions. We look back with pride on our long association with the Sikhs, an association happy in peace and glorious in war. We desire nothing better than to see once again that old feeling of confidence and of mutual trust that our predecessors knew. The hand of friendship never has been withdrawn; it is there to-day, if only they would grasp it. We want to see again the day when officers of our administration are honoured guests, as they used to be, in their Diwans; we want to see the day when the regimental officer who salutes the Granth Sahib, as he is bound to do when it is carried past, salutes it not as a duty, but because it is the emblem of the faith of a people bound to us in ties of friendship and unalloyed good-will.”

Mr. President, though this was spoken more than six months ago and though much has happened in the interval, I am perfectly prepared to make it the burden and the tenour of my concluding words. The door is still open; the hand is still extended. (*Applause*).

THE HONOURABLE MR. G. S. KHAPARDE (Berar : Nominated Non-official) : Sir, I wish to support this Resolution. The reason of it is that the demand is so moderate. All that my Honourable friend wants is a Conciliation Committee on which the most influential families of the Sikhs will be represented, and I believe that others able to decide a difficult matter of this kind will also be there. So in the event of this Committee sitting together and going into all the matters, the important Sikh families will be represented. I suppose they will be the highest among them and will have an inward knowledge of the Sikh religion and the various tenets about which the fight is going on, and the other gentlemen on the Committee will settle the other matters that are necessary to come to a finding on a delicate matter of this kind. The matter appears to me to be really very delicate in this respect that since the annexation of the

Punjab rights have grown up—rights generally brought into existence by the laws of limitation I believe. They say that for so long this person has been in possession and therefore he is the owner. That is an approved doctrine and is well established in British jurisprudence, but I beg to submit that in India such a doctrine did not exist before the British Government came in. The laws of prescription, or the statutes of repose as they are called now, found no counterpart in the older laws.

Right is right and if there was really a mistake made and if the property of one community was put in the name of one person by a mistake, certainly, if that mistake can be proved, I believe Courts would grant relief except for these laws of limitation and prescription. The policy that has been read out by the Honourable Mr. Crerar is a good policy and I think that it does not conflict with the demand that has been made to-day. That policy is that the Sikhs shall respect the judgment of the Courts and they will go by the precedents. There is room for talking this matter over with the Mahants and finding a way out of the difficulty. In this respect also I believe the policy of Government is not in direct conflict with the demand that has been made by the Resolution. The Resolution asks for a Reconciliation Committee and there is always room for reconciliation. Reconciliation means that each party has to give up a certain portion of its right in order that peace may be purchased and that that peace may be enduring. All that I am anxious about is that high Sikh families should be represented on that Committee, and I take it that there should be others to bring in their experience of the world to find out a way in which that reconciliation should be brought about. In this sense therefore and fully recognising that there are very delicate matters involved, I support this proposition that has been put forward by Sardar Jogendra Singh.

HIS EXCELLENCY THE COMMANDER IN-CHIEF: I have listened to the speeches of my Honourable friends Sardar Jogendra Singh and the Honourable Mr. Khaparde with the greatest interest and attention and having done so, I have failed to realise as to whether the Honourable Sardar Jogendra Singh has fully considered all that has been previously done in the very matter which he recommends, and also whether he has attempted to think out to its logical conclusion the results that would happen were Government to take the steps which he now asks them to take. I know from personal experience how very anxious Sardar Jogendra Singh has been to bring the Sikh troubles to a satisfactory conclusion for a long time. As he and the Honourable Mr. Crerar mentioned, His Excellency the Viceroy and Sir Edward Maclagan, the late Governor of the Punjab, did me the honour a short time ago of appointing me as President of a Committee which they had hoped might be able to deal with the Gurdwara questions. While so employed, the Honourable Sardar Jogendra Singh was kind enough to give me his help and advice whenever he could possibly do so. And not only he, but a very large number of Sikhs belonging to the different sects of the community from all parts of the Punjab, Jats, Khattris, Ahluwalias, Aroras, Bedis, Sodis, Keshdharis, Sajdhari and Sanatan Sikhs Mahants, Udasis, Nirmalas all came to me and gave their advice and assistance. After being engaged in this for a day or two, it struck me that the work to be performed must surely be a simple one. I only had implicitly to follow the advice given me by each deputation and all would be

well. When however I came to analyse the various panaceas that were suggested, I discovered that the recommendations made, differed as widely as the poles apart. These varied from handing over all shrines in the Punjab immediately to the Akalis, to the depriving of the Akalis of any shrines of which they have taken possession. I was much struck by the extreme anxiety of every section of the Sikh community to come to an understanding, and I can honestly say this that I too was equally anxious to help the Sikhs to arrive at a satisfactory settlement. It is just 40 years now since I have had the privilege of serving alongside Sikh soldiers. Starting in a small cantonment in Central India, I had the amplest opportunity of associating with my men in their work, in their sports and in their play and, after all, the impressions and friends of one's boyhood are not easily forgotten. Later on, I had the advantage of paying many visits to the Punjab villages as the guest of my Sikh officers, living with them, joining in the village life with my Sikh officers and men, sitting under the village trees and conversing with them. Ten or twelve years later in 1897 I witnessed the magnificent *bahaduri* of the Sikhs during the successful defence of the Fort of Gulistan, and the defence, and I am sorry to say, fall of the small post at Saragarhi where every Sikh soldier of the small garrison gave his life with shouts for the Sirkar and "Wah Churu." It is only natural that, knowing men like that, I should feel confidence in entrusting to them the custody of my wife and children in the sure belief that they would defend them with their lives, if necessary. Again, quite recently during the last four years I have had opportunities of visiting personally a great number of Sikh villages scattered about in the Punjab, mostly on our new canals. It has been a real delight to me to visit them, if only in the first instance to see the extraordinary change that has come over the whole face of the country. What in days gone by used to be miles of barren "Put" are now rich lands of golden corn, and beautiful cotton—the results of the far-seeing and efficient administration of Government and the wonderful genius of our canal engineers. What specially pleased me was to satisfy myself that my old Sikh comrades and many others are enjoying their full share of the prosperity of the country, enjoying that prosperity and perfectly happy tilling their land. It was nice too to find that same old stolid democratic spirit among the Sikhs there. Perhaps I am not right in using the word "democratic". I should rather call it theocratic, because I feel that the word "theocracy" is the one which describes the Sikh community better than any other. Nearly every man is imbued with a strong religious feeling and very jealous of anything that might interfere with his religion. But in talking with them I found that they were under no illusions; I never came across a man who was able to say that he felt his religion was in danger owing to the action of Government. In fact the old soldiers would remind me how in days gone by when they first joined the regiment the British officers were the first to ascertain if they had taken the *Pahul*—if not to insist on their doing so—to insist also on their daily attendance at the Gurdwara to be instructed in Gurmukhi and to learn to read the Granth Sahib—in which one of the British officers would often be associated with them. But one could not help noticing that there was in ways a subtle change coming over some of the villages. In the more distant ones they told me that they only wanted to be left alone to be able to join in the general prosperity. They did not want to be visited by any Jathas either of Shahidi or so-called

Dhurli Jathas, and certainly not to join in agitation. In the villages nearer the big towns the changes were most noticeable and there was apprehension that everything was not all right—something was being done about their religion. But that, I have only found in and near the biggest towns. The ordinary villagers of the Punjab, the zamindar, had no such feeling. He had confidence that he was being treated fairly and squarely by Government on the subject.

The Honourable Mr. Crerar mentioned the subject of the Committee of which I was appointed President. As Sardar Jogendra Singh said, that Committee never met, and perhaps that is the best of all reasons for my not saying anything at all about it. But we did have a certain amount of negotiations and conversations with some of the Sikh members of the Punjab Legislative Council, men who were in the confidence of the Parbhandak Committee. I am unable to tell you about those conversations because they were privileged.

I will only say how deeply I regret the fact that they should not have led to success. Now Sardar Jogendra Singh recommends that the Government should again start a Reconciliation Committee. I would ask him whether he has really thought out how Government could hope to do that with any real hope of coming to a satisfactory conclusion at the present moment and with all due dignity to itself. Rather I would say that the time has come—if the time had not already come long ago—for the Sikh Sardars to step forward and take their places like men. They know better than we do how Government is perfectly prepared to meet them half way, and what one wants to see them doing is to go to their people, lead and help them, talk to them, and above all tell them the truth. As leaders this is their duty—and for the zamindars it is their right. That is what they have not done. They can tell them the truth now. The Honourable Mr. Crerar has told us how the Punjab Government is in full sympathy with any movement to purify the Sikh shrines. The one thing which they insist upon is that nothing shall be done outside the four corners of the law, which must and will be upheld by the Punjab Government and by the Government of India. But the Punjab Government are perfectly prepared to accept any Gurdwara Bill that may be brought forward by the leaders which is acceptable to all classes of the community and which may receive the approval of the Punjab Legislative Council. I am specially thinking at present of the Sikh Members of this Council, of the Legislative Assembly and more especially of the Punjab Legislative Council. Let them cease from hiding behind the shadow of Government. Let them realise that their duty does not merely consist in formulating Resolutions and asking questions. Let them go among their people, help them and, as I say, tell them the truth. It has struck me that for the last few years some of the leaders of the Sikhs have taken the attitude of those of whom you sometimes, in a Punjabi crowd, hear a wise man saying with a shrug of the shoulders or a shake of the head "*Ghar phuk tamasha vekh*". That surely is a most ignoble attitude for any leader to adopt. While there is still time, associate with yourselves every section of the Sikh community, for representation of all sects is essential—the representatives of the big landholders of the Punjab of whom there are many, representatives of traders and merchants, lawyers and professors, retired civil and military officers—they will all help you, and if I can say a word in the way of advice

I would go to them and remind them in the words of one of your Punjabi couplets: "*Bhantee beetee thoree rahee, etc.*"

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, I entered the House this morning without any intention of taking part in this debate. But my own friendship for my Sikh brethren and the keen regard I have always had for their educational, economic and political progress impels me to say a few words on this Resolution. Sir, my Honourable friend, Sardar Jogendra Singh, is aware, as I am sure you, Sir, yourself are aware, that years ago when I began to take a humble part in the public life of the Punjab, I had the privilege and the pleasure of coming into close contact with the leaders of the Sikh community. It was but natural that it should have been so, for, being myself a member of an agricultural community, and my Sikh brethren, the overwhelming majority of my Sikh brethren, being also members of agricultural communities, it was natural that there should be a community of interest as well as of feeling between them and myself. I well remember the days when for some 12 years the then acknowledged leaders of the Sikh community and myself took part, and a very intimate part together, in trying to promote the welfare of our province. I well remember those days when I had the pleasure and the privilege of attending some of the Sikh gatherings in my province, educational, religious as well as political, and of showing my keen interest in the welfare of the Sikh community. Sir, you will remember, the Honourable Mover of the Resolution will remember, the Punjab Sikh Educational Conference, the annual gatherings of which held in different parts of the Punjab were really a source of intense pleasure and delight not only to the Sikhs themselves, but to those who had the welfare of their Sikh brethren at heart.

Where are those great educational gatherings of the Sikh community now? I well remember having attended some of those gatherings when I saw with my own eyes 20,000 Sikhs, men and women, gathered together deliberating over the burning educational questions of the day and discussing measures for the educational advancement of the Sikh community. Since the rise of this Akali movement, what has happened to that educational movement among the Sikhs of the Punjab? I well remember the movement for social reform among my Sikh brethren and the activities of the Sikh leaders of those days when I was in the Punjab before I left Lahore in order to play a humble part in the Executive Council of His Excellency the Viceroy, a social movement which was bringing about results which delighted the hearts of not only the Sikhs, but those of us who had the welfare of the Sikh community at heart. Where is that social reform movement amongst the Sikhs now?"

Sir, this new phase of the Sikh situation arose in the Punjab, as I said, since I left Lahore on my appointment as Member of the Executive Council; and as one who is no longer taking an active part in the social, political and educational movements but is watching, and watching naturally as a Punjabee with the greatest interest, the various movements which are now going on apace in my province, I am perhaps in the best of positions to form not only a correct judgment upon the existing situation, but to compare it with the state of things which existed in the Punjab in the old days before the year 1919. And I assure you that, comparing the Sikh situation at present with

the Sikh situation of those days, my heart is filled with sorrow. So far as the Gurdwara movement itself is concerned, I am sure that no non-Sikh, be he a Christian, be he a Hindu, be he a Muhammadan, can but have sympathy with the object which the Sikh reformers have in view. I am perfectly certain, and as a Punjabee I wish to avail myself of this occasion to assure my Sikh brethren, that the Government of India, as well as the Punjab Government, are in entire sympathy with the Gurdwara reform movement. Was it not because they were in sympathy with the Gurdwara reform movement that the Government of the Punjab introduced the Gurdwara Bill in the Punjab Legislative Council? As both His Excellency the Commander-in-Chief and the Honourable Mr. Crerar have pointed out, the door is still open. Indeed the recent appointment of what is known as the Birdwood Committee itself is proof positive, if proof were needed, that the Government of India as well as the Punjab Government are as anxious to bring about a reconciliation and to restore the old situation between the Sikhs and the Government as the Honourable Mover of this Resolution. Government could not have selected—and I am perfectly sure that the Sikh community itself could not have selected—a better President for such a Committee than His Excellency the Commander-in-Chief, whose close and friendly association with the Sikh community is well known to us all, who knows the language of the people, who knows the customs and habits of the people, who has intimate knowledge of the social life of the Sikh community, than whom how could you find a better head of a Conciliation Board?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Will the Committee meet and work?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The Committee did not hold any formal meeting it is quite quite true, but.....

THE HONOURABLE SARDAR JOGENDRA SINGH: Was the Committee constituted?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: As the Honourable Sir Deva Prasad Sarvadhikary is perfectly aware, there are certain preliminary steps which have to be taken always when one is face to face with a difficult and complicated situation like this before a formal Committee can be appointed and can meet, if there is earnestness, if there is desire that the step taken should ultimately end in success. But if during those preliminary steps, a situation arises which makes it absolutely hopeless to expect that any good result will accrue from the formal constitution of the Committee and from taking formal proceedings, then what is the good of proceeding with steps like that if impossible conditions precedent are laid down by one party or the other? But if impossible conditions precedent are laid down by one party or the other before they come to grips in order to deal with the difficult and complicated situation, then really a solution of the problem becomes hopeless. To-day I wish to point out not only that the Government are willing and ready to accept any Gurdwara Bill which the leaders of the Sikh community may frame consistently with the rights of other communities, but that they have always been so willing and ready to accept such a Bill as that. Let them frame a Bill. I believe, if I am not wrong, that the Sikh Members of the Punjab Legislative Council were asked to bring forward a Bill on those lines.

What is there then to prevent a reconciliation ? What is there really which prevents the termination of the unfortunate situation which has arisen in the Punjab ? I, for one, as a Punjabee and as a sincere well-wisher of my Sikh brethren, fail to see what is the real stumbling-block in the way of such a reconciliation ; and I appeal, earnestly appeal, to my Sikh brethren and to leaders of the Sikh community like my Honourable friend Sardar Jogendra Singh to exert their influence in earnest to produce an atmosphere in which this painful and unfortunate Sikh problem can be settled, settled satisfactorily, settled to the mutual satisfaction of the Sikh community, the other communities as well as the Government, so that normal conditions may be restored in this unfortunate province, which has had to go through such series of crisis in recent years. I, who am looking forward to going back to public life in a few months and who will again have to come into contact, and close contact, with my Sikh brethren, with my Hindu brethren, hope and pray that before I go out of Government, normal conditions may again be restored.

THE HONOURABLE SARDAR JOGENDRA SINGH : Sir, I have listened with deep interest to what my Honourable friends, the Home Secretary and His Excellency the Commander-in-Chief, have said. I do not doubt their sincerity nor the desire on the part of the Government of India and the Government of the Punjab to find a settlement of the difficulty. I am quite confident that no one desires more than His Excellency General Sir William Birdwood, who sacrificed his well-earned holiday to find a solution for the Sikh trouble, to find a settlement of the difficulty ; but at the same time I am not prepared to allow the present position to continue without asking this House to find some remedy, to provide some kind of machinery for the purpose of arriving at a settlement. The position, so far as I can see, and so far as the Government of India are concerned, has not changed in the last four years. Is it our fault entirely that the atmosphere which my Honourable friend Sir Muhammad Shafi wishes the Sikh leaders to create has not been created ? Have not the Government to take any part in creating that atmosphere ? I ask the Government what they propose to do to hasten a solution of the question. It is for this reason that I propose that a Reconciliation Board should be appointed, so that the question may be immediately dealt with. I freely admit that in appointing General Sir William Birdwood the Government of India really did what the Sikhs desired. It was really at the request of the Sikhs that Sir William Birdwood was asked to preside over this Committee, and the Sikhs were extremely anxious that under him a solution should be found. Difficulties however arose, which I am not in a position to detail before the Council, but I would say that those difficulties were not insurmountable and would have been surmounted if a little more time had been given. If this Council permits me I would like to point out what would be the result of delaying a decision and what has happened within the last four years. It is true that the Sikhs have marched in batches of 25 and 500 to take possession of the Gurdwaras ; but when the suffragists in England wanted to get the laws modified they went in larger crowds to demonstrate their desire for certain changes. The Sikhs in the same way are continuing to demonstrate that they require a new Gurdwara Bill. We want new legislation to rectify the defects that exist in the existing law. Perhaps the Council is not unaware of the fact that the Sikhs have undergone a great deal of suffering. They have laid down their lives in

various places. There was a demonstrating crowd near Rawal Pindi, when a train was allowed to run over it. I do not know if in any civilised government such a thing would be permitted that a crowd which was demonstrating should have a train running over it. Then again nearly twenty thousand people have already gone to jail. I am not aware under what law they are detained, and how long they can be detained under that law. These people are silently sent to prison. If this method of creating an atmosphere is the best in the view of this Council, I have certainly no objection; but if this Council thinks other methods of creating a better atmosphere are desirable, then I think the Council should help me to pass this Resolution, so that the Reconciliation Board should be immediately constituted. We have been asked that the Sikh Members of the Legislative Council should introduce legislation, and I have no doubt that in due time such legislation will be introduced. But, on the other hand, I may put it to you that the Governor occupies a dual position. He is the representative of the King on the one hand and on the other is responsible to his Council. It is for his Cabinet to introduce this law. It is done in other countries; why should we be asked to introduce this legislation when Government can do it more easily and more effectively? My friend, the Honourable Mr. Barron, was telling me that they have already passed an Act. There is an Act in existence. There is a dispute about certain Gurdwaras in Courts. That Act is now the law of the land. Why then are Government not making use of the Act to prove its usefulness? It would certainly prevent the difficulties that are arising, and are likely to arise, in enforcing decrees.

I am really grateful for the kind way in which the Government have received this Resolution; for the way they have expressed a desire to promote Gurdwara legislation. At the same time I might inform them that to us who are more in touch with popular opinion than they, it is extremely desirable that certain machinery should be provided to carry out an immediate settlement. I do not see why Government should hesitate in accepting my Resolution. The delay will only result in more difficulties. I think it is the desire of this House that the question should be immediately settled.

If I may, I should just like to read a letter which I have received from a Risaldar Major who has given the best years of his life in the service of the Empire. It is a very long letter, but at the end he says:

"Your forefathers and mine fought together for the British Empire. We have done our best to serve the Empire. Is not Government going to save us now by enacting the legislation we require? The result would be that when the people who now go to jail come back, many people who have lost their properties and have no profession, these will take to leading lawless lives. Are we going to continue in this way to swell their number and to increase the numbers of the discontented, to continue to give real cause to people to be dissatisfied?"

Then, Sir, there seems to be some misapprehension that all that could be done has been done. The Secretary of State, when speaking on the Indian question, dwelt largely on what was done in India. He said, let us establish a Sikh Board of Control which shall be made the repository of the Sikh religion, so that these temples may be administered in the interests of the Sikh religion. I desire to say here that the Sikhs require nothing more than the promise contained in the words of the Secretary of State; nothing more than what His Excellency the Commander-in-Chief just now offered, and after getting full

control over their Gurdwaras, nothing more but to be on the friendliest possible terms. But at the same time they feel that the centres of their religion must be purified and that they must have control over their Gurdwaras.

The question before this House is not a very difficult one. The Government have already said that they are prepared to pass legislation. I do not think there has been a voice in this House which has been dissentient on that point. The main question is to provide an early remedy to reach that decision, and this lies with this House by supporting my Resolution for the creation of a Reconciliation Board such as was proposed by me and which should come into existence. If that is done,—I speak for the Sikh community, they have come and told me, if such a reconciliation takes place,—the Sikhs have the greatest desire for friendship. In the villages I can assure you there is not the least amount of bitterness among the population. They feel puzzled, very very puzzled, why early legislation has not been passed, why their rights have not been recognised, and why we are still left to our own resources to find a new law and push it through the Council with our small minority.

I will not detain this House any longer; I wish I could withdraw this Resolution, but, in the interests of the community, I do not think it would be expedient to withdraw it. It is for this House to consider fully and carefully and to take into consideration the phase which we are passing through, to see the psychological aspect of the question, and then to decide which is the best way to reach the solution. To my mind there can be no better way than to constitute a Board to take up the question and introduce legislation by agreement. If that is done, the question can be easily settled.

THE HONOURABLE MR. J. CRERAR: Mr. President, I do not intend to detain the House very long in replying to the debate, largely because, when I first addressed the House, I endeavoured to give as comprehensive and as concrete an account as was in my power of the policy and the intentions of Government; and very little has fallen from Honourable Members during the course of the debate to render it necessary for me either to add to or to subtract from the statement I then made. One Honourable Member observed, and he observed with some point, that he would have supposed from the general content and character of this Resolution that it was a matter which was more nearly the concern of the Provincial Government than of the Central Government. That was in a sense a perfectly just remark, and I hope the Honourable Mover of this Resolution and the House will realise that the fact that Government took no steps to have this Resolution disallowed on that ground was an indication of the kind which they have in many other respects and repeatedly given, an indication of their absolute willingness that the questions involved in the Sikh controversy should be freely discussed and that no means of arriving at a solution should be neglected. That opportunity was again given to-day to my Honourable friend. I do not know whether it would be proper for me to remind the Honourable Member, but I think it is correct, that he framed this Resolution and gave notice of it at a time considerably anterior to the efforts which Government made to constitute a Committee of Inquiry. Now the Honourable Member disappointed me in one respect,—and this is a point to which I have already adverted,—he failed to give any indication to the House as to what he conceived to be the functions of this Committee, the manner in which it

should proceed, and the powers which it should possess. I, Sir, speaking on behalf of Government, affirm that we will neglect no practical remedy. If there is any remedy which we think offers a reasonable prospect of success, we are perfectly prepared to examine it. My main objection to the Honourable Member's Resolution is not the spirit in which it is conceived. I have already acknowledged that, it is not the manner in which it is put forward; I have stated that on some points the Government and the Honourable Sardar do not see eye to eye; I do not quarrel with that; my objection is a practical one. Should we by this means further the cause we have at heart? I observe that the Honourable Sardar spoke plaintively and rather vaguely of "some remedy," of "some solution." That is exactly the point. We are all anxious to find some remedy and some solution; and though my Honourable friend, in his concluding speech, spoke in the same vein, the same rather indeterminate, though I admit the same sincere, manner in which he had already moved his Resolution, there was lacking in it precisely that element of practicality which I would adjure the House in any Resolution to which they may commit themselves strictly to adhere. The Honourable Member rather surprised me by inquiring why it was that the Government of the Punjab had not applied the provisions of the Act which they had themselves passed. That is a singular complaint for the Honourable Sardar to make because he is as well aware as I am that that Act has been placed on the Statute-book of the Province of the Punjab, that it is entirely a matter.....

THE HONOURABLE SARDAR JOGENDRA SINGH: I think it received the assent of the Governor General.

THE HONOURABLE MR. J. CRERAR: Quite so; that Act is on the Statute-book of the Province of the Punjab and the initiative lies under that Act primarily with those who desire their institutions to be regulated by the provisions of that Act. It is not due to any supineness, any inactivity on the part of the Government; it is due, as far as I can discover, to a reluctance on the part of the Sikh community or of some section of it to have recourse to this measure. My Honourable and learned friend opposite (the Honourable Sir Deva Prasad Sarvadhikary) adopted an attitude which I confess caused me some bewilderment. As far as I can judge, he in the main approved and endorsed the policy of Government which I have endeavoured to explain, but he came to no final conclusion on the Resolution. He left the matter in suspense, and in suspense on one ground, because he wanted to know why the negotiations which have already been referred to were infructuous.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: And whether the Committee could and would go on with the work.

THE HONOURABLE MR. J. CRERAR: I will reply to that with a remark which I have already made: I think the auspices are now more favourable; I think the sky is gradually becoming more clear; I think views of moderation and common sense, which I am sure are entertained by my Honourable friend the Sardar and by his friends, are beginning to assert themselves. It is for clear, tangible and unmistakable proofs of that we are waiting, for nothing more. The Honourable Member made no reply to the invitation which I had the honour to address to him, and which was endorsed by His Excellency the Commander-in-Chief, that he and his friends should get to work and promote

and create the atmosphere which is necessary for any hopeful project of this character. I have one word more to say. My Honourable and learned friend opposite was perturbed by the words which fell from His Excellency the Commander-in-Chief. He seemed to be under some apprehension that Government would be willing to accept any kind of Bill from any source whatever. I must draw the attention of my learned friend to the fact that he has not precisely and correctly reproduced or interpreted the words of His Excellency the Commander-in-Chief. What His Excellency said was that, if the Honourable Sardar Jogendra Singh and his friends, if the real leaders of the real opinion of the Sikh community, those who regard these matters with common sense and with a due regard for all the other considerations to be taken into account, got together, His Excellency admitted that a Bill bearing the impress of such leaders and based on such principles would almost certainly be one which Government would be willing and anxious to promote. I would further reply quite specifically to the question which was asked by my Honourable and learned friend. He asked, what kind of Bill would Government be prepared to promote? Government are ready, and have always been ready, to promote and assist in the enactment of a measure for the administration of the Gurdwaras in accordance with Sikh sentiment, provided always that that measure is in accordance with recognised legal principles, and provided further that the rights of all other communities are respected and protected.

With these words I would merely ask my Honourable friend—he has had his discussion, his Resolution has been received and discussed, he will himself admit, with sympathy from all quarters of the House—I will not ask him to withdraw his Resolution, but I will merely appeal to him to consider whether at the present stage we ought not to let the past alone and look forward with hopeful confidence to the future. If there is anything to be gained by pressing it to a division—if the Honourable Member is convinced of that,—I will say nothing further to the contrary. I will merely say—Is it not our duty now to avoid anything in the nature of recrimination, to start afresh from the point at which we now stand and to endeavour to do nothing which will prejudice the prospects of an early and successful settlement of this controversy?

THE HONOURABLE SARDAR JOGENDRA SINGH: With your permission, Sir, I should like to withdraw this Resolution.

The Resolution was, by leave of the Council, withdrawn.

15th September, 1924.

RESOLUTION REGARDING THE RECOMMENDATIONS OF THE LEE COMMISSION.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I rise to move the Resolution which stands in my name. Before I do so I have been requested by the Honourable the Home Member to express to the House his regret that urgent business in another place prevents him from being in his place in this House to-day, and he trusts that the House will acquit him of any discourtesy in the matter. I am sure the House has a sufficiently lively recollection of the solicitude with which the Honourable the Home Member,

when he occupied your august Chair, Sir, asserted the dignity and prerogatives of this House to absolve him from any such imputation.

Sir, I move this Resolution in redemption of an assurance which I was authorised last May to give to the House, that before any orders were passed on the recommendations of the Royal Commission this House would have an opportunity of expressing its views on those recommendations. The Report has now been for some time in the hands of Honourable Members, and I may safely assume that it has received their close attention and examination. As I do not wish to trespass unduly upon the patience and indulgence of the House and as I have in a brief space of time to cover a very extensive tract of ground, I shall not weary the House with any mere recapitulation of matter of which they are already in full possession. I do not propose to refer to the history of the appointment of this Commission. The Commission has been unjustly charged with omitting matters which did not fall within their terms of reference. On this point I shall only say this. The passing of the Government of India Act created new conditions and it was clearly important, apart from the unmistakable urgency of the question of relief to the Services, that early steps ought to be taken as soon as sufficient experience should be obtained to bring the organisation of the Services more closely into conformity with the new conditions so set up. That may appear to some Honourable Members an unduly limited objective. But it was certainly a very necessary and logical objective. The Commission were not instructed to proceed on a hypothetical basis, but on the basis of the Act and of the policy underlying it in respect of the Services. They proceeded on that basis; they entered on their task with ardour and devotion and completed it with due deliberation, but nevertheless with remarkable despatch. I think, whatever views may be held of their conclusions, a recognition of these facts is due to the distinguished members of the Commission. Nor can anything be imputed to the advisers of His Majesty in the matter other than an honest and earnest desire to promote, in the words of Bacon, "a sober and laborious inquiry of truth" and to select the fittest instruments for that purpose. If the Report does not assume solutions of great constitutional issues, which as a matter of fact have not been yet solved, it not only does not prejudice them but keeps them clearly in view. If the Commission had attempted to do more than this, they would have exceeded their instructions.

Having regard, therefore, to the conditions in which the Commission entered on its labours, to the high authority and grave responsibilities conferred and imposed upon it by His Majesty, and to the distinction of its members, the House will, I think, be prepared to treat their united counsels with the respect which they deserve and will recognise the significance of the view which they emphasise as to the inter-dependence of their agreed conclusions and the spirit of compromise by which they have been inspired. Though the Commission has not hesitated to recommend bold and extensive measures of advance, no extreme views have prevailed, and doubtless none of the advocates of the various interests affected will express themselves as fully satisfied. But that is an inevitable incident of any attempt to reconcile on a basis of compromise divergent views and interests. Compromises do not always lead to sound conclusions; but when a Tribunal with the authority of a Royal Commission, one of the highest Tribunals recognised by the British constitution,

and constituted as this Commission was constituted, is able to arrive at unanimous conclusions, that remarkable fact lends to their agreement a very special degree of significance and importance. I would remind the House that compromise in the best sense of the word means conciliation.

I now turn to the definite proposals of the Commission and again I shall limit myself to essential principles and to the widest issues. The issues are indeed of the greatest moment and magnitude. They affect in almost all of its component parts an administrative machine which, in the complexity of its structure, the diversity of its functions, the heavy burden of its duties and its responsibilities, has no close parallel at the present day and no precedent in history. Whatever the form of government, an efficient administrative service is an indispensable condition of good government. Any Government which does not hand over to its successor contented, efficient and incorruptible services will have been guilty of one of the greatest possible derelictions of duty, especially if that transfer should take place at a crucial time of transition. Further, if the administrative services are to carry out honestly and impartially the policy of Government they must be safeguarded from the insidious dangers of political influence. Every modern State has learnt, generally by bitter experience, the necessity for these safeguards and they have been clearly recognised in the recommendations of the Royal Commission on the subject of the control of Services.

The present position, as the House is aware, is that the control of the All-India Services is vested completely in the Secretary of State in Council. The Commission would leave this position unchanged in respect of the Services operating in the reserved fields, and they would place the Services operating in the transferred fields under the control of the Local Governments. The basis of these proposals has been ably and acutely examined by a member of the Commission, Professor Coupland, in a separate Minute. He points out that they are based on two of the cardinal principles of the reforms. If the one principle was to make Ministers and Legislative Councils responsible in the fullest practicable degree for the good government of the transferred field, the other principle was that the Secretary of State and Parliament must remain no less fully responsible for the reserved field. Only through the Secretary of State can the responsibility of Parliament be fulfilled. It cannot be fulfilled through any other agency if responsible government is to be interpreted and practised in accordance not merely with constitutional forms but with the well established lessons of political experience. The responsibility is too great to be broken at any point. It must form from link to link a single chain.

As regards their second proposal—that relating to provincialisation—the Commission, as I have said, have not hesitated to urge a great and a significant advance. I am aware that there is a considerable body of opinion—and of Indian opinion—which holds that, looking to the future, looking to the ultimate consolidation of India as a national and political unit, this may prove to be too great a concession to centrifugal forces. That is a position which is entitled to respectful attention, but regarding the proposition as a whole, I think it will be admitted that it is in consonance with the policy and purposes of the Act and the predominant voice of political opinion in India.

The Services affected are the Indian Educational Service, the Indian Veterinary Service, the Indian Agricultural Service, the Indian Forest Service in Bombay and Burma, and the Buildings and Roads Branch of the Indian Service of Engineers. I leave in a category by itself the Indian Medical Service, which presents problems of special difficulty and intricacy on which no summary decision is possible. But with the reservations stated in the Resolution the Government of India are provisionally prepared to accept the Commission's recommendation for the constitution of Provincial Medical Services.

In regard to the next point of major importance—the Indianisation of the Services—the Commission has taken a view radically different from that of its predecessor and proposes a step far in advance of anything that has hitherto been contemplated. I will only invite the attention of the House to the following figures so that Honourable Members may visualize what it is that these proposals actually mean. I take the All-India Services. The present sanctioned strength is 4,279; their actual number is just under 4,000. It is estimated that on the proposals of the Commission, about 1,300 posts, so far as future recruits are concerned, will be provincialised, and I will assume for the sake of argument that this means practically complete Indianisation. There will remain something under 3,000 posts on an All-India basis but of these 3,000 it is contemplated that the greater portion will eventually be filled by Indians. In every case except the Police it is recommended that Indian recruitment to these Services should be more than half the total, while in the Police it is proposed to recruit half and half. If the proposals of the Commission are given effect to, there will, I estimate, eventually remain in the All-India Services only some 1,300 British officers including the doctors of the military reserve. If we confine our consideration to the two security Services—the Indian Civil Service and the Indian Police—the number of posts which will eventually be held by Europeans on the proposals of the Commission is less than 900. I sometimes wonder if it is realised that, when the Indian Civil Service consists half of Europeans and half of Indians, there will only be 675 officers employed in the whole of India in the important tasks which this service performs and of this number less than 400 will be filling posts of major responsibility, the remainder being under training in less responsible posts or on leave. Is it really suggested that some 400 British officers employed in important Secretariat or administrative posts, as heads of districts, as Sessions Judges, as Judges of the High Courts, as Political officers and the like, is an excessive number for a country with a population of over 300 millions?

To these proposals the Commission attach a corollary which, for the reasons which I have already briefly indicated, is vital and indispensable. They urge that the Public Services Commission contemplated by the Government of India Act should be established without delay; and they urge further, with special reference to their proposals for provincialisation, that Public Service Acts to regulate the conditions of service in the Public Services should be passed with as little delay as possible.

Well, Sir, can it be denied that these proposals go far? To many they appear to go too far. They certainly do not err on the side of undue caution and timidity. Indeed, I have heard apprehensions expressed that, apart from the question of European and Indian recruitment, they will raise serious

problems in the sphere of Indian recruitment alone. The Muhammadan community and other communities are apprehensive that they may suffer in the process. Several of the Provinces evince alarm at the possibility of the importation into their jurisdiction of an undue number of officers from other Provinces. It is clear that questions of this character cannot be met without some departure from the principle of unrestricted competition. The policy of Government in the matter was explained more than a year ago by Sir Malcolm Hailey ; but it is evident that these issues must inevitably arise, under the Lee Commission's proposals, in a new and a more acute form. I can say no more than that they are engaging the very serious attention of the Government of India.

Taking a broad survey of these proposals, it is at any rate obvious that the Commission did not, as many were disposed to anticipate, put on their terms of reference the narrow construction of a mandate to propose reliefs for the Services. It is to this aspect of the question that I now turn. The Commission approached this problem with two main objects in view. The first was relief to the officers now in the Services, and the second was the maintenance on the scale they proposed of recruitment to those Services.

The financial position of the Services had been urgent for a long time and it had become more urgent with the lapse of time. That was established by an elaborate inquiry instituted by the Government of India into the rise in prices before 1912. These questions again formed the subject of examination in 1912 when the Islington Commission was appointed. That Commission laboured under what in those distant days was not uncommonly incidental to such inquiries, a more than elephantine period of gestation. It reported after the outbreak of the war. The war raised perilous and portentous issues to which all others had of necessity to yield precedence. Many members of the Service went to the war. The rest bent themselves to the tasks which had been allotted to them. They got no relief such as was obtained by the Civil Services in the United Kingdom in the shape of war bonuses or otherwise.

It has frequently been contended that that was the right form in which to grant the relief. That may be so. But had the relief been given in that form and at that time, the cost up-to-date to the Indian Exchequer would have been a matter not of lakhs but of crores. The orders on the Islington Commission's Report, many of the recommendations of which necessarily had already become largely obsolete, were issued during the years 1919-20 at a time when financial and economic oscillations were violent and unpredictable. It was impossible to foretell what the stable level of adjustment would be, and many of the anticipations then formed were falsified by events. Then we had the Montagu-Chelmsford inquiry. We had the enactment of the Government of India Act in 1919, —another momentous change in the data. There was the inquiry instituted by the document commonly known by the name of my Predecessor. There was the inquiry by Lord McDonnell's Committee, but as the Royal Commission rightly observes, the result of all these inquiries was merely to state the propositions and not to solve them. Now it has never been contended on behalf of the Services that they should be restored to the position occupied by their more fortunate predecessors. They do not claim to

be relieved of their share of the burden of the war and of the disturbing economic conditions which supervened. They only claim that they should be placed in a position to discharge their duties under tolerable conditions without the continual strain and anxiety of great and growing financial embarrassments. The revisions of pay of 1919 did not attempt to go further than this. There was one vital assumption on which these revisions were based—the exchange value of the rupee. I will not recapitulate the evidence to show that that is a fact. It has been affirmed so explicitly by men who are in the best position to judge, including the then Viceroy and the then Secretary of State for India, that the matter is no longer open to debate. It will be observed that the proposals of the Commission are largely designed to meet the needs of the remitter, as is apparent from the main form in which they propose that relief should be granted. They suggest that an addition of Rs. 50 a month should be made to overseas pay, and that the whole of the overseas pay should then be converted into sterling at a 2s. rate of exchange. The Government of India prefer to put this proposal in a simplified form by which the overseas pay will be stated in sterling and paid in sterling. The officer will be protected against loss if the rupee falls below 1s. 4d., and if the rupee rises above 1s. 4d. the profit will go to Government. Another of the most crushing burdens which fell upon the Services was the enormous rise in the cost of sea passages. I believe it is a fact that an officer who before the war could take his wife and one child to England and back for Rs. 3,000 and could do it in 1920 for Rs. 2,000 could only do it now for Rs. 5,000. The Commission proposes to give a moderate relief in this respect. As regards officers holding administrative posts, the Commission did not arrive at unanimous conclusion. The majority of the Commission proposes to give relief to posts whose pay does not exceed Rs. 4,000 a month. The Government of India are disposed to take a middle course. They are impressed by the fact that the financial circumstances of many officers holding administrative posts are straitened and that it will in many cases be a matter of administrative necessity to raise the pay of certain posts above the time-scales to correspond with the relief given at the top of the time-scales, so that the proportion between the officer on the time-scale and the officer holding an administrative post may not be unduly disturbed. At the same time they consider it unnecessary to extend the grant of relief to any officer drawing at present more than Rs. 3,000 a month except in respect of passages.

In the matter of pensions the Commission declined to re-open the question of the refund of the 4 per cent. contribution to officers of the Indian Civil Service. It must be remembered that under the system which terminated in 1919 the pension of a member of the Indian Civil Service was not £1,000 per annum as commonly represented. It has been calculated that an officer of the Indian Civil Service formerly contributed £250 a year to his own pension and received only £750 per annum from the State. It will not be till 1944 that any officer of the Indian Civil Service will receive a pension of £1,000 per annum. Those now retiring receive very much less. The Commission proposed to grant certain enhanced pensions to members of the Indian Civil Service who attain the high rank of Member of Council or Governor. The Government of India are unable to accept this proposal. It has been argued that the great and special responsibilities devolving on Members of Councils and Governors clearly differentiate them from other administrative and judicial officers in the service, and that

the increase advocated by the majority of the Commission is a very moderate recognition of this fact. On the other hand, the pensions of the Indian Civil Service have hitherto always been on a uniform basis, and any breach in this uniformity might lead to a total reconstruction of the whole of the pension system which the Government of India are not at present prepared to advocate or to undertake. Therefore, Sir, the only reward which these officers will obtain is the honour of having served India in some of the most exacting and most arduous posts under the Crown. In the case of the other Services the proposal is for a moderate increase of Rs. 1,000 a year in ordinary pension from 25 years' service onwards. The inadequacy of the existing rates has been a long-standing ground for complaint. The pension was fixed originally nearly 70 years ago at Rs. 5,000 a year which at that time was worth £500. Under the proposal of the Commission the 30 year pension will now bring £612-10s. It is, I think not an excessive increase to cover the changed conditions of so long a period.

These are the main recommendations of the Commission in regard to financial relief, and I shall leave it to my Honourable Colleague the Financial Secretary to explain them and their consequences in fuller detail. I will only say this that the Services have suffered the "Hope deferred that maketh the heart sick". The Commission themselves have given testimony to the whole-hearted acceptance of the reforms and the spirit of the Government of India Act by the Services and their anxiety to assist and play their part in the progress of India along the road to self-government. In spite of much obloquy, they have not deviated from this path. If I should select any particular Service which has been more exposed to such attacks but which has nevertheless, in spite of such attacks and in spite of the hardships and perils peculiarly incidental to their profession, persisted steadfastly in the path of duty, it would be the Indian Police Service. If the recommendations made on their behalf and on behalf of the Services as a whole are moderate and equitable, as I contend they are, they should be granted without further delay. Efficient and contented services are not more essential to the Government as at present constituted than to the Government as it may hereafter be constituted. Inefficient and discontented services must prove the most costly of all.

I will touch very briefly on the subject of recruitment. The Commission have proceeded on the assumption that a certain though a much reduced element of Europeans in the higher public Services will be required for a considerable number of years to come. I do not think,—and I am encouraged in this belief by a letter written by an Honourable Member of this House which I recently saw in the Press and which struck me by the spirit of generosity and goodwill by which it was inspired—I do not think that any Honourable Member will desire to contest that assumption and I do not therefore propose to fortify it. Indeed I myself look forward to the day when India, having attained to her full political stature, will of her own free will desire to retain the services of European officers. It has been suggested that this result could be obtained and these prospects could still be kept in view if European recruitment were suspended in order to accelerate the process of Indianisation. I would remind the House that as a service is an organism of slow growth so also it extends its roots, the sources of its life and

renovation, both wide and deep. There has been a tradition of the inheritance from father to son of service in India and there are distinguished records of services in India rendered by members of families whose names are household words. There have been, and there still are, traditions at the Universities and the great schools of England giving encouragement to an Indian career and making provision for it. These old and valuable traditions,—valuable certainly to England, but even more so to India—can easily be destroyed, but if you cut them at the root they will die and they cannot be revived.

That, Sir, is the plain and unvarnished tale which I have to lay before the House. I have not attempted to adorn it with any flowers of rhetoric or to point it with any thorns of controversy. I have made no attempt to sway the judgment of the House by any invocation of emotion or prejudice. I have appealed to the reason, the sense of justice and the statesmanship of the House. I am prepared to base my case on that appeal and on that appeal alone. The House is now in full possession of the views provisionally arrived at by the Government of India on the main recommendations of the Commission, and I think that, whatever may be the judgment of Honourable Members on questions of principle or on questions of detail, they will agree that these recommendations represent a serious, a sincere, and a statesmanlike endeavour to arrive without fear or favour at just and practical conclusions. These large issues, on which so much that is momentous for the expeditious as well as for the orderly and peaceful progress of the country depends, ought to be approached with a large mind; and I say this not with regard to any particular aspect of the problem, such as the relief of the Services, but equally with regard to those great questions of reconstruction and reorganisation, on all of which, as the Commission so strenuously plead, the integrality of their report as an organic whole is based. I urge, Sir, that we for our part ought to take a broad perspective of that structure.

I urge that we for our part ought to approach these issues in the spirit of the words of the most statesmanlike of philosophers and the most philosophic of statesmen, "Magnanimity in politics is not seldom the truest wisdom."

I move:

"That this Council recommends to the Governor General in Council:—

- (1) that the following recommendations of the Royal Commission on the Superior Civil Services in India be in principle approved—
 - (a) that while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields, the following Services operating in transferred fields, namely, the Indian Educational Service, the Indian Agricultural Service, the Indian Veterinary Service, the Buildings and Roads Branch of the Indian Service of Engineers in those provinces in which the two branches have been separated, and the Indian Forest Service in Bombay and Burma, should so far as future recruits are concerned be appointed and controlled by Local Governments;
 - (b) that recruitment of Indians for the Services in reserved fields should be increased as recommended;
 - (c) that, having particular regard to recommendation (a), early steps be taken to constitute the Public Service Commission contemplated by section 96-C of the Government of India Act and to enact such legislation as may be necessary;

- (2) that pay, passage concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended ; and
- (3) that the recommendation of the Royal Commission regarding the constitution of Provincial Medical Services in Governors' Provinces be accepted in principle subject to —
 - (a) the employment in the provinces of an adequate military reserve ;
 - (b) the provision of adequate medical attendance for British officers in the Civil Services and their families ; and
 - (c) the further consideration of the conditions necessary to secure an adequate number of British medical recruits for the needs of the army."

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, I beg to move the amendment standing in my name and having regard to your ruling I shall read out the whole of the amendment but would not move the last portion of it for the present.

THE HONOURABLE THE PRESIDENT: I think it would be convenient if the Honourable Member reads out the amendment which he intends to move.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: I move:

"That this Council recommends to the Governor General in Council that it be represented to the Right Honourable the Secretary of State for India that pending the inquiries about Reforms and action that may be taken thereon, it is not desirable to give effect to the recommendations of the Lee Commission."

The portion of the amendment that will not be now moved but will be moved later is shown in the paper and need not be read out except to show what connection it would have with the first portion of the amendment and the context.

Before proceeding to speak on my amendment I desire to congratulate the Honourable the Home Secretary on the lucid and dispassionate manner in which he has presented the Government case before the House. I am sure we should have been glad to see our old friend, the Honourable the Home Member, here to-day if it was possible. He has not been good enough to visit us since he left us and this would be one occasion when we should have looked forward to his presence in our midst. But, Sir, as has been explained, business elsewhere detains him and if I may say so the lucid presentment of the Honourable Mr. Crerar has left nothing to be desired. He has taken all possible care to leave controversial matters out and to import none of that bland bravado and pitiless pleasantry that have been attempted elsewhere on the Government Benches for no useful purpose. It will be my endeavour and I am sure it will be the endeavour of all Honourable Members to keep the debate on the same high level and to do our barest duty on the occasion, which for me happens to be on a line different from that of many others in this House. The Honourable Mr. Crerar comes here in an atmosphere which was described by Lord Pentland as "deliberately and wisely constructed in order to represent powerful interests and men with larger stake in the country." My misfortune is that I can hardly claim to be one of such and my duty is to put the popular point

of view for I belong to the people, a point of view which may not find large^e favour here. The Honourable Mr. Crerar comes with the confident modesty of an assured victor who has only to walk in to look round and to win. If as in ancient times, when the Rajput's own citadel gate was closed against him if he happened badly to lose an action elsewhere, Mr. Crerar's attitude might have been different. He is assured of victory here!

But that will not dissuade me from trying to do my duty and to take my defeat, for some defeats are better than victories as some victories are worse than defeats. I could not allow judgment to go by default without trying to put in the point of view which I believe animates the large bulk of what I may be permitted to call the people of the country, the intelligentsia if you like whom some are anxious to see separated from the masses from certain points of view. Sir, on previous occasions it became my duty, sometimes painful, to have to withdraw Resolutions and amendments for which I found not the least chance of success in this House. But on an occasion like this such a course would serve no useful purpose, for the Government Resolution is there and will have to be dealt with and be passed in any event. You have been pleased to describe my motion as a dilatory one. It may be so from certain points of view. But it is not put forward with the object of mere idle delay. I am prepared to discuss the Report on its merits, to show that my mentality is not one of obstructive dilatoriness, but it is only the exigencies of the situation that have obliged me to put forward the suggestion about the postponement of this question till the Reforms Committee, which the Government saw fit to appoint, following their own departmental Committee, to investigate closely the possibilities of further action even in regard to the Reforms under the Government of India Act, has reported though this is not the time to refer fully to the evidence that has been given before that Committee in public, not *in camera* as in the other case. I think public opinion is considerably satisfied that all that has been going on under the Government of India Act and the Reforms Scheme is not in the best interests of the country and drastic changes are needed. It has also come out that those officials who have to deal with the Ministers in the transferred departments of the Provinces are not always having, to put it mildly, a happy time of it. That tension has been the order of the day is clear, and if in some Provinces diarchy has partially or fully failed, it is largely, if not wholly, due to the existence of that tension between the ministry and the officials who are charged with the carrying out of the order and decisions of the ministry.

Having regard to that fact, it is incumbent upon those who have the ordering of things to wait and see what further developments take place, to see what action the Reforms Committee suggest to minimise that tension and for having the decisions of the Ministry concerned better carried out. That, Sir, is in part my reason for urging that, in view of the present examination of reform measures that is going on, Government should wait and watch before undertaking large administrative changes affecting the uncertain future.

Taking some of the points of merit which I think I ought to indicate, as showing that, not merely on the ground that I am putting forward for delay but on the merits also, it would be desirable to wait and obtain further public

opinion regarding the Lee recommendations, which both in principle and detail the Right Honourable the Secretary of State has shown a commendable desire to obtain. Let us take in the first instance the financial question. In the House of Lords and elsewhere we were given to understand that the expenses involved by what was proposed by the Commission would be somewhere near 1 crore, $1\frac{1}{2}$ crore if not $1\frac{1}{2}$ crores a year in time. The Honourable the Finance Member elsewhere said the other day that we need not talk at all of the finances in this concern in crores, for they are in lakhs. Well, Sir, I have never been able to understand financial legerdemain feats; and when the opportunity occurs there may be an obstacle that vanishes like a wall of water when other opportunities demand precedence. I shall take the figures as they have been given in the other place though I am not persuaded that they are correct. The Government of India will not have to pay more than 26 lakhs, I believe, and it can do so when necessary; but I shall go back to my own Province where the seemingly modest sum of 9.3 lakhs will have to be spent. Situated as we are in that unfortunate Province—I shall not refer to political and other questions but merely to the financial question—we have to find and pay in the near future 63 lakhs of rupees, which the generosity of the Legislature and the Government enabled us to get for the last three years. And, Sir, with regard to the question of retrenchment which has been engaging attention here as elsewhere, although an influential and representative Retrenchment Committee has been recommending fairly large reductions in Bengal, reductions amounting I believe to nearly a crore of rupees, Rs. 98,25,900 to be closer,—no more than Rs. 9,23,000 have been retrenched so far and the ultimate reductions in view are no more than Rs. 11,56,000. That is the position of Bengal which is invited now, in addition to the 63 lakhs of rupees that she will have to find in regard to questions arising out of the Provincial Contribution Scheme, to meet this addition of over 9 lakhs. I say Bengal is not able to bear that burden. That in itself would be enough reason for my entering a protest.

With regard to the larger questions involved by the Lee Commission's Report, I shall take one other aspect of the question. Sir, it is very unedifying, it is undignified, to have to quibble about meeting the legitimate grievances of those who are serving you, those who have undoubtedly served well in the past and those who, if left alone, will serve us as well and better in the future. I for myself would be prepared to treat the grievances and complaints and requirements of those who are already in service with the fullest measure of generosity that would be permissible on the materials placed before us; I should like to separate their case from those larger questions of policy in the future which have been hopelessly and unwarrantably mixed up in the recommendations of the Lee Commission. The adamant interdependent pact if I may so call it, that the Lee Commission made the pivot of their recommendations, has been much in the way of treating separately the case of those whose immediate grievances have to be, and I say ought to be, immediately satisfied on proper materials. I shall not indulge in any meticulous examination of the wording of this Resolution, as to whether the words "in principle" and "approximately" do not give the whole show away from the point of view of the interdependency of the recommendations. Nor shall I refer to those changes in the recommendations voiced in this Resolution

which the Government of India have themselves shown readiness to suggest. Take for example their generous and seemly consent to the withholding of larger pensions in the case of an Executive Member of the Government or a Governor. I need not go into details but say that the interdependence does not stand. The belated addition of the question of the Medical Services in this Resolution and elsewhere shows that that interdependence has for all practical purposes disappeared. I suggest therefore that the case of those in service, or who are immediately affected by the situation that has arisen out of the Reforms, should be taken up and redressed on proper materials as soon as possible. Sir, family budgets have been circulated although the evidence before the Commission is not forthcoming. But who has ever troubled about the family budgets of those from whose pockets this crore and a half (or 9 lakhs for Bengal) is to come? But I should not allow questions of that kind to stand in the way of justly dealing with the case of those whose grievances are legitimate and well-founded. Unfortunately, Sir, the terms of reference have been somewhat widened, and a subtle change in interpretation has come in which has permitted the Commission not to confine itself to the absolute requirements of the case, but has permitted enunciation of questions of policy, questions of future control and recruitment on racial basis that would not on a strict reading of the terms of reference arise. It has enabled them also to change and differentiate in a way that was not intended regarding the position of members of the same Service, with the same training, recruited in England but having a different domicile. If 20 per cent. increase of pay was intended, as the Finance Member's statement would show, it might have been given straight away instead of being *camouflaged* to the detriment of Indian Members. Those who tell us that we are making bad blood between the people and the Service by withholding our immediate assent to these recommendations—to them I shall answer back that by mixing up these questions you have made the position more difficult. The tension is not only between the people and the Services, which did not exist before, but also between different sections and members of the same Service. We have been told a certain proportion of Europeans is necessary in order to secure the British character, or what other people have called, the Steel frame character of the administration. Well, before 1919 questions of that kind did not trouble the authorities. They were content to have as members of the same Service men, whether Europeans or Indians, but sufficiently trained and recruited in England, and they had exactly the same privileges, the same concessions, the same pay. Now for the first time questions of pay, of overseas allowances, of exchange compensation and of special privileges, medical attendance, etc., have been imported which have certainly led to tension between these two sections of the same Service who are inequitably differentiated and among whom amity and good feeling have so long prevailed. Questions of that kind hardly affect those who are already in service, who had entered service with their eyes fully open as to what was in store for them and whom the questions arising out of the reforms would in no way affect so far as those details are concerned. This differentiation for the first time is an unfortunate aspect of the recommendations which to my mind would in itself be a good reason for hesitating to accept them. Shall I say, Sir, that for the first time in the Superior Services what may be called a diarchy of colour has been attempted to be introduced? I do not want to labour these points

because the time is limited and even with your indulgence, Sir, I do not think I can deal in sufficient detail with these matters. But I think that it is possible to deal with the Report keeping aside these questions and limiting the consideration to those who are in service already, our obligations and duties towards whom I fully recognise and am prepared to meet. I say there are good reasons why we should wait regarding the rest till we know exactly where we are. If the small measure of reform that has been introduced has already created a flutter, why, we ought not to complicate future issues by bringing in those who will be disgruntled more than those who are now in service, because of the worsened possibilities of the situation. Are we sure that if we go on as we are going on we shall be getting the best Europeans that we want? The Honourable the Home Member said elsewhere the other day that if recruitment were stopped for five years there will be 340 vacancies, not 20 as some people had put forward. At the present moment I am confining myself to the European members. In the Indian Civil Service out of 1,400 we have 164 Indians. Supposing the limit that has been put forward were to be attained in a given number of years, would it be so much of a disaster if on the strength of Indian recruitment alone we were to go on for the time being, even if 340 Europeans disappeared in 5 years, and after the atmosphere cleared up we reverted to the old system of recruitment? Knowing as I do my friends in England I have not the least apprehension that matters will suffer in regard to recruitment if it were to be resumed later on. Sir, we had 21 applicants for 22 vacancies this year; in previous years it was either 20, 21 or 33, whereas before the war the applicants used to number about 200. Should we be content with getting what we can supplemented by military recruits as has been the case in the near past. An active propaganda to my own certain knowledge has been in operation to prevent European youths from competing for these posts; I have talked to some of them and dispelled their mistakes and seen them ready for competition. Let us take other spheres of usefulness where the European finds employment. Take the Indian States; take the Indian merchants; take the Indian Zamindars some of whom also employ Europeans. Take our missionary friends who have so selflessly given in the past of the best that is in them without considerations such as those which exercise the Services. Has there been any falling off in those directions? I have great faith, supreme faith, in the British people that when wanted on proper conditions they will be willing to give us a helping hand; they have been doing so in the past and much good has come out of it. We expect, we hope, we want to work together. Questions of provincialisation or Indianisation do not necessarily rule out British association. On the other hand, no sane man would rule it out, except in so far as it is permissible and necessary in the changed circumstances that are before the country.

In the state of uncertainty in which we undoubtedly are, having regard to the further measures of reform which will create greater difficulties from the point of view of those who do not want to serve except under the old conditions to which the Honourable Mr. Crerar does not expect to get them back, I think the only reasonable course is to wait and in the meantime to give relief to those who are wanting it badly and whose case can be made out.

As I am not moving the second part of my amendment I shall not fully go into the question as to how by suspending recruitment we are not likely to

suffer in the way that it is apprehended in some quarters, we may do. But limiting myself to the first part of the amendment, I think there is a strong case for waiting and seeing what the Reforms Committee, that is now sitting at the instance of Government of India, recommends and what further action Government are prepared to take.

Sir, the Resolution speaks of the appointment of the Public Service Commission contemplated by section 96C of the Government of India Act. It is rather a gratuitous suggestion; there was nothing to prevent the Secretary of State appointing this Commission and by rules directing that some of the powers that are vested in him might be made over to the Government of India; in the wide words of the Government of India Act, section 96C, the Public Services Commission should discharge in regard to the recruitment and control of Public Services in India such functions as may be assigned thereto by rules made by the Secretary of State in Council, and much could be covered by the Rules. Even if the Lee Commission's recommendations were held up, there is nothing to prevent the Secretary of State from appointing a Public Services Commission to-morrow and getting all that he thinks necessary should be done. Therefore any delay with regard to this matter cannot handicap Government in any way.

With regard to what has been said about provincialisation and Indianisation, that they will suffer if the Resolution were not to be accepted, I myself am not troubled by the apprehension for a moment. Sir, I do not view this prospect of undiluted provincialisation with equanimity. We have always been for Indian unity and Indian progress as an organic whole and All-India Services are a great help in this. I may differ from some of my friends on this side of the House and in the country, but I say it will be a bad day for India and for the Services and for the Government when there is thorough and total provincialisation of the kind contemplated in water-tight compartments. I do not for a moment suggest that Local Governments ought not to have all the powers of control and discipline that are necessary for the purpose of proper work; but that the Superior Services with regard to many branches that are now under the Central Government, I myself have not the slightest doubt should continue central in the broader sense. Indian unity is what the Congress has always aimed at in its saner days. Indian unity as a whole and a free flow from the different provinces of men of light and leading in the services and in public life are alike needed. Take for example the department in which I am very much interested, education. Men from different provinces going to other provinces and giving of their best is, I think, the ideal that ought always to be kept before us, and in Calcutta we have been working up to it. Therefore, when we are told that provincialisation will suffer for the time, I myself am not perturbed; and when provincialisation comes I hope some means will be found of retaining some touch and control for the Central Government so that the prospects and ideals of a united and progressive India may not suffer. It was urged in favour of the immediate acceptance of the recommendations of the Lee Commission that otherwise national interests would suffer.

I myself do not for a moment think so. All sorts of considerations are urged and there has been loss of balance of judgment. We have been told for

example that the recommendations of the Lee Commission amount to a verdict of the jury. Even the Judges have not had the evidence before them and the foreman of the jury attempted to address some of the Judges and what is more he, without an Indian past and future, attempted to call in evidence at this late stage. Lord Inchcape and others came forward willingly and the foreman of the jury was given an opportunity of reinforcing the case that he had made in the recommendations of the Report, which to a certainty has influenced the authorities in England. I do not think that is a sort of procedure that will find countenance and that should be allowed to influence judgment on the merits of the situation which should be dealt with another way.

THE HONOURABLE THE PRESIDENT: The Honourable Member is drawing near to the end of his time.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: I shall appeal to my friends on these Benches as well as on the other Benches, that it is only upon mutual trust and good-will and mutual regard for one another's interest that this Empire can be broad-based, and, if there are genuine apprehensions in the public mind that the immediate giving effect to all the recommendations of the Lee Commission is likely to lead to further unrest, Government should represent to the Right Honourable the Secretary of State that he should wait and see what further developments in the reforms are possible and likely to be made, and then take up household arrangements for the future.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, during the recent debate on Indian affairs initiated by Viscount Peel in the House of Lords the Secretary of State for India made a very important pronouncement to which I would invite Honourable Members' attention.

"The Secretary of State for India in Council", said Lord Olivier, "who is, as the noble Lord has pointed out, the final arbiter responsible to Parliament in regard to practically the whole field governed by this Report, must necessarily subject the Report to a thorough examination on points both of principle and detail. The mere fact that he, as stated, accepts the view that the Report must be treated as a whole cannot of course in any way absolve him from the duty of examining the Report in all its bearings or commit him in advance to the acceptance of each and every recommendation just as it stands. He must also use the occasion to determine which of the recommendations in their relation to the Report as a whole will further need priority of treatment when the time comes to implement his decisions."

Along with this pronouncement of the Secretary of State it is essential for Honourable Members to bear in mind what Viscount Chelmsford said in his final reply on behalf of His Majesty's Government towards the conclusion of that debate—

"No one can doubt", said Lord Chelmsford, "that there must be an examination of Lord Lee's report. He would not pretend to regard it as so inspired that we must accept it in every jot and tittle. Therefore there must be an examination on the part of the Secretary of State, the Government of India and the Provincial Governments."

But later on in his speech Lord Chelmsford made a pronouncement which to my mind is of the utmost importance in connection with our own final conclusions on the Resolution now before the House. This is what he said:—

"Going back to the method, the Secretary of State told your Lordships the other day't' at he was doing everything he possibly could to get the whole case prepared for a speedy

Reforms. In other words, under the new constitution introduced by the Government of India Act, 1919, certain portions of our provincial administration were placed in the charge of the popular side of the Government presided over by Ministers selected from among the elected representatives of the people and responsible for the administration of those subjects to the Provincial Legislature. But the Superior Services operating even in the transferred field were, for certain reasons enunciated in the Chelmsford-Montagu Report, placed for a time under the control of the Secretary of State in so far as recruitment, pay, allowances and so on were concerned. My Honourable and learned friend will remember that the critics of this constitution, both friendly and hostile, complained that a system, a constitution which transferred certain subjects to popular Ministers responsible for their administration to the Provincial Legislative Council, and still retained the appointment as well as the control of the superior branch of the Services operating in the transferred field in the hands of an outside authority 6,000 miles away, could never be successful. That was the criticism advanced at that time in Indian political circles. The friendly critic said that transfer in these circumstances was incomplete: the hostile critics characterized the transfer as a mere sham. This, Sir, has been the demand put forward in all political circles during the whole course of these four years—that the superior branches of these Services must be placed under the control of the Provincial Government; appointment to these Services must rest in their hands, appointment as well as control being taken away from the hands of the Secretary of State. Well, the Royal Commission on the Superior Services in India presided over by Lord Lee, now has recommended to His Majesty's Government that appointment to and control of these Services operating in the transferred field should be taken away from the Secretary of State and placed in the hands of the Provincial Governments. But my Honourable and learned friend asks this Council to recommend to the Secretary of State: "Oh no! It is not necessary to carry out this much-needed reform, although Indian political circles have been crying themselves hoarse in their demand for it. Better wait until the Constitutional Inquiry Committee which is now holding its inquiries has made its recommendations to the Government of India and the Government of India have come to their conclusions and those conclusions have been sent to England and the Secretary of State has reached his own decisions upon those recommendations." Until the final decision is arrived at on that question, this popular demand which has been put forward in all Indian political circles during the whole of these four years and is now accepted by the Lee Commission and accepted by the Government of India should not be carried out! Is that course of action calculated to accelerate constitutional advance in this country? Is it not on the other hand calculated to retard constitutional advance?

THE HONOURABLE DR. SIR D. P. SARVADHIKARY: My friend will remember the modifications. I distinctly said that so far as control, discipline and working rules are concerned, they should be entirely provincialised; but I wanted it to be an All-India Service in the broader sense.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: At any rate my Honourable and learned friend's amendment does not say so. That amendment in the clearest possible language says that the decision on the

recruitment is 40 per cent. in all the Provinces and in Burma it is 35 per cent. The Lee Commission recommend that in future the Indian recruitment shall be 75 per cent. of the entire strength. As regards the Indian Service of Engineers the Lee Commission recommend that so far as the Roads and Buildings branch of that Service is concerned recruitment in future shall be left entirely in the hands of the Provincial Governments. Similarly, in the case of the Indian Agricultural Service, the Indian Educational Service, the Indian Veterinary Service—so that it will be for the Provincial Governments to fix what percentage of Europeans they will recruit for these Services, the entire control being vested in their hands. Well, Sir, the difference between the existing position and that recommended by the Lee Commission is undoubtedly a satisfactory advance in so far as the Indianisation of Superior Services in India is concerned. “But,” says my Honourable and learned friend, “Oh, no. We do not want any of this greater Indianisation of our public services now; we must wait until the constitutional inquiry is completed.”

Sir, it is a disputable point upon which even the highest authorities have differed whether administrative advance should precede constitutional advance or *vice versa*. Indeed, to my mind administrative capacity and experience are the corner stone of the constitutional edifice. A nation which is not prepared by training and by experience to run its public services in the most efficient manner for the good of the people is to my mind not fit for constitutional responsibility. At any rate it must be plain to all sensible people that the two administrative and constitutional advance—must proceed simultaneously side by side. That being so, we had administrative advance, embodied in the Report of the Islington Commission carried into effect in 1919. We had the step onward in constitutional advance embodied in the Montagu-Chelmsford Report carried into effect two years later in 1921. We have now a further administrative advance embodied in the Lee Commission's Report before us. We ought, this House ought, to earnestly request the Secretary of State to carry into effect the proposals now before us as soon as possible in order to pave the way for the next constitutional advance which may result from the inquiries of the constitutional Committee to which my Honourable and learned friend has referred in his amendment. It is thus, step by step, stage by stage, that both administrative and constitutional advance will go on apace, and India will at the appointed time attain to full responsible government. Instead of adopting this course, I am surprised that a far-sighted and experienced politician like my Honourable and learned friend, Sir Deva Prasad Sarvadhikary, should advocate, to my mind, a retrograde step, which is calculated to retard rather than accelerate constitutional advance in this country.

Sir, there is another feature of this Lee Commission's Report to which I would like to invite the attention of the House. For years past, even in the old days before the introduction of the Montagu-Chelmsford reforms, the central Legislature has always been demanding the creation of a Civil Medical Service in this country to look after the medical needs of the population. At last, after years of agitation, now, as a result of the Lee Commission's Report, we have the prospect of a beginning of that Civil Medical Service which we have always been asking for and looking forward to. My Honourable and learned friend and his supporters say: “No, no, the needs of the people regarding the necessity for the creation of a Civil Medical Service should be ignored

for the moment. Wait, wait, until the Constitutional Inquiry Committee has concluded its inquiry and until a decision has been arrived at". Well, Sir, I confess as an Indian and in consequence as a sincere well-wisher of constitutional advance in the country, I for one am unable to understand the process of reasoning which has resulted in the adoption of this attitude on the part of my Honourable friend.

Then, I pass on to the question of relief to the Services. My Honourable friend himself has admitted the necessity of giving relief where relief is needed, and therefore I need not dwell on that point at any length. But there is one observation which I would like to make in that connection, and it is this. It has been said in another place that the members of our Services should recognise that they are no longer the "*ma-bap*" of the people, but that in the new conditions introduced as a result of the famous declaration of the 20th August 1917, now embodied by the British Parliament in the Preamble to the Act of 1919, they must look upon themselves as the "*bhai-bhai*" of the people. With that sentiment I myself am in entire accord. But that sentiment, or rather that proposition connotes as a necessary corollary another proposition which I want to put before the House and that is this. It follows necessarily that we ourselves also should look upon the members of our Services as our "*bhai*s" real brothers, not step-brothers to be ignored whenever they put forward any reasonable demands for concessions or for alleviation of conditions which they find very difficult to face. I do hope that this House will look upon the recommendations embodied in the Lee Commission's Report and accepted by the Government of India as those which the necessities of the situation call for, and will therefore adopt the Resolution moved by my Honourable friend Mr. Crerar and reject the amendment put forward by my Honourable and learned friend. Indeed, if I may venture to say so, the interest of constitutional advance which my Honourable friend and I have equally at least necessitates the adoption of the measures which have been recommended by the Lee Commission. The provincialisation of the All-India Services operating in the transferred field is in itself a step forward towards that constitutional aim which he and I have in view—the ultimate attainment of full responsible government in the country. As further subjects are transferred the same principle will continue to apply to the Services operating in the widening field of transferred subjects until a stage is reached when provinces will have full responsible government if this process of advancement towards the ultimate goal is to be delayed. I am sure advance towards responsible government will be retarded rather than accelerated, and it is on that ground that I appeal to the Honourable Members of this House to accept the Resolution put forward on behalf of the Government of India and to reject the amendment moved by my Honourable and learned friend.

THE HONOURABLE MR. S. VEDAMURTI. (Burma: General): Sir, I dare say the House has listened with great interest to the eloquent speech made by the Honourable Sir Mian Muhammad Shafi, the Leader of the House. He has told us that he is as eager for constitutional advance as any of us, and that there is nothing in the Report of the Lee Commission that can in any way be interpreted to be against such an advance. Let me join issue with him. One of my first objections to the adoption of the recommendations of the Lee Commission is that it is intended, consciously or unconsciously, to delay the

advance of constitutional reforms for which the country has been clamouring. This is borne out, Sir, by the fact that, in the terms of reference, apart from the mention of the declared policy of Parliament in respect of "the increasing association of Indians in every branch of the administration," there is not a word about the more vital part of the Preamble of the Government of India Act of 1919, which is the "gradual development of self-governing institutions with a view to the realisation of responsible government." I am not one of those who are referred to by the Honourable Mr. Crerar as accusing the Commission of not dealing with the constitutional issue. But that significant omission is in the terms of reference to the Commission, and it has justly aroused the fears in our minds that constitutional advance will receive a set-back by the adoption of their recommendations. Again, Sir, even when the Commission refers to the "new policy directed towards the progressive realisation of responsible government" as one of the factors in the situation, the Commission has in despair left the question unsolved, for the Report says on page 5 that—

"it was, however, impossible to produce a scheme which would fit the new circumstances without a complete re-examination of the problem."

At any rate, the questions that are answered in their own way by the Commission, whether the reduction of the European element will be practicable within the next 20 years; whether the Services operating on the reserved side should continue to be members of an All-India Service, their appointment and control to continue to be vested in the Secretary of State; whether a guarantee should be given not only to the existing members of the Service but also to future entrants in those Services as long as those departments continue to be reserved; whether in case such transfers from the reserved to the transferred side take place within the course of 15 years the guarantee should not continue in the case of pay, allowances and pension; whether Parliament should not guarantee the pensions of the members of these Services in the case of future constitutional development in India; whether the grants in respect of certain Central Services and certain officers of the All-India Services should not be made a non-votable item, thus depriving the Assembly of its legitimate right—the answers given to these questions by the Commission go to prove that the pace of responsible government will be slower than what we demand. The justification for our fears comes from unexpected quarters. The Government of Bihar and Orissa in their reply to the Government of India circular say on page 28 of the correspondence:—

"When the transfer of a subject takes place, it is difficult to withstand the consequence that it should be accompanied by the transfer of the service dealing with that subject. If, at some date hereafter, an attempt is made to introduce full provincial autonomy, the risks inherent in the acceptance of the principle will be real and serious, but if they are considered to be too great to be undertaken, the true remedy is the postponement of provincial autonomy, and not an attempt to restrict its actual working in a manner which would certainly engender friction, even if, given the attainment of that stage it was practical politics, which almost certainly, it would not be."

These are my reasons for saying that the recommendations of the Lee Commission really give a set-back to constitutional advance.

So far as the control of the Superior Services is concerned, it is a matter for some satisfaction that those members whose departments are now transferred will, in future, in the case of future recruits (other than the Indian Medical Service) be placed under the charge of Local Governments, but it is said that the existing members should retain all their present rights and status. I fail to understand, if the Local Governments are expected to deal fairly and justly in the case of future entrants, why they would not deal with the existing incumbents fairly and justly as well. Again, the popular demand is that the Secretary of State's powers of appointment and control of All-India Services should cease, and that they should be delegated to the Government of India. I refrain from quoting the authority of several Ministers in the Provinces who are of opinion that the All-India Services should no more be controlled by the Secretary of State, but that the Government of India should appoint and control the members of these All-India Services. But I will quote an instance in which the Finance Member of the Government of Burma goes further than that. The Honourable Mr. W. J. Keith, the Finance Member of the Burma Government, is against the retention of any All-India Service and is in favour of recruitment throughout on a provincial basis. The Chief Secretary to the Government of Burma says in his reply to the Government of India at page 30 :

"The Honourable the Finance Member and the two Ministers would have preferred the solution set out in their answer to the Royal Commission's Questionnaire, namely, that recruitment to the present All-India Services (whether working in the Reserved or in the transferred fields) should cease forthwith, and their duties and functions be transferred gradually to new services organised on a provincial basis for which a minimum proportion of European recruitment would be laid down by the Secretary of State, who would recruit Europeans on behalf of the Local Government, but would not control them, although their contracts would provide for an appeal to him from any order of the Local Government affecting emoluments or prospects."

Sir, as regards Indianisation, it is claimed, and claimed rightly, that the recommendations of the Lee Commission go far towards the Indianisation of the Services, and the Honourable Sir Muhammad Shafi has consoled us by quoting certain figures, but I am prepared to contest the statement and say that the advance is more specious than real. Take, for instance, the Indian Civil Service. The Commission proposes that the proportion should be 40 per cent. European, 40 per cent. Indian directly recruited, and 20 per cent. to be obtained by promotion from the Provincial Service which will produce an equal cadre in 15 years. To a question asked by the Honourable Mr. Crerar in his Circular whether it would be reasonable to guarantee that this result would be achieved in not more than 15 years, and whether any restriction should be imposed that this result should not be attained within a shorter period than 15 years, the Local Governments are almost unanimous in saying that no guarantee should be given. One Government says that, if a particular policy is adopted, it will not be practicable to alter that ratio at some future date in favour of the European element. Another Government says that no conditions need be made regarding the attainment of equal numbers within 15 years, as this depends on contingencies which it is impossible to forecast. In my opinion, it will take a longer period than 15 years to obtain an equal cadre. In fact, it is difficult to estimate, as the Madras Government have printed out, what ratio of re-

cruitment would be calculated to produce this result. The Honourable Mr. Sinha, Minister in Bihar and Orissa, thinks that—

“in order to attain a proportion of 40 European, 40 Indian direct recruited, and 20 Indian, promoted, within a period of 10 or 15 years, the recruitment ratios of 21 Europeans 53 Indians directly recruited, and 26 Indians promoted from the Provincial Service should at once be adopted.”

The Honourable Mr. Crerar himself admits at page 37 :—

“It is extremely difficult to conjecture the period within which this rate of recruitment would produce a half and half composition of the Service. A considerable number of retirements on proportionate pension would accelerate the period appreciably, and it must be borne in mind that there is a possibility that the required number of European recruits will not be forthcoming. These factors perhaps render any conjectures regarding the period at which equal numbers will be obtained of little practical value.”

THE HONOURABLE MR. J. CRERAR : The purport of it would be materially to reduce the period of 15 years.

THE HONOURABLE MR. S. VEDAMURTI : At any rate, there is a haziness about the whole situation. If the recommendations of the Lee Commission thus land us in an atmosphere of uncertainty regarding Indianisation, is it fair to say that the Commission has advanced the cause of Indianisation to the satisfaction of the people of this country ?

Unless further European recruitment is stopped at once, there is no probability of attaining an equal cadre in the Indian Civil Service, say, even within 30 years. Unless further recruitment is stopped at once how long will it take to reduce the present strength of 1,129 British I.C.S. officers to the figure of 655 to obtain an equal cadre? The Honourable Mr. Crerar has not chosen to answer that question. The same should be the case in the case of the other Imperial Services, the Police, the Irrigation portion of the Indian Service of Engineers, and the Forest Service. if the proportion suggested by the Commission is to be attained. In view of the fact that the recommendations, if carried into effect, will retard the pace of constitutional advance ; in view of the fact that they are going to perpetuate the control of the Secretary of State over All-India Services operating in the reserved field ; and in view of the fact that the recommendations for the Indianisation of the Services could be completed only at a distant date even according to the proportions set up by the Commission, I do not want to support the main proposition, but I support the amendment that has been moved by my Honourable friend, Sir Deva Prasad Sarvadhikary.

THE HONOURABLE SIR ARTHUR FROMM : (Bombay Chamber of Commerce) : Sir, when any matter of vital and national importance to this country comes up for discussion before the Central Legislature, a debate invariably takes place in the Legislative Assembly before it is discussed in this Council. I have heard it described in some quarters that this procedure detracts from the value of the debate in this Council. I cannot, Sir, however, subscribe to that view in any way. The Council of State was primarily instituted as a revising Chamber, and it follows therefore that the procedure which I have described has of necessity, to be adopted, and it is not without its value, as the Members of this House usually have the opportunity of listening to words of wisdom, and perhaps to words of what I may describe as un-wisdom which fall from the lips of

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Members in the other House. Therefore the Council of State is at an advantage and when the subject comes up before it, the Council is able to exercise a restraining influence in its discussions. I had hoped that in this particular instance all the Members would have learnt some lesson from the discussion which took place in the other House and would have refrained from taking this debate into side-issues, an example of which is the amendment before the House now, which have no direct bearing on the important matter which we are called upon to discuss to-day. I listened, Sir, with interest to the soft words and calm speech with which the Honourable Sir Deva Prasad Sarvadhikary introduced his amendment. But I consider that there is a sting in that amendment. It provides for delay in the adoption of this important Resolution now before the House. The Honourable Member told us that he had no disagreement with any suggestion to improve the pay of the Services, but that he did object to the Lee Commission's Report as a whole because it introduced other matters. And what other matters did it introduce? Did it make any suggestion of a retrograde step in Indianisation? Does the Lee Commission's Report make any suggestion of a retrograde step in the matter of provincialisation? No. What does the Lee Report do, in addition to providing relief for the Services? It takes the constitution of this country another step forward and why the Honourable Sir Deva Prasad Sarvadhikary should object to that I fail to see. The Honourable the Leader of the House has brought this point very forcibly before us to-day and therefore I will not refer to it further. The Honourable Mr. Karandikar in supporting the amendment gave voice to many principles, and one of the principles on which he based his objection was want of money. I sympathise with the Honourable Member in that respect. I think too most of us Members here feel a certain amount of grief when we have got to pay for everything just about twice what we would have paid ten or twelve years ago. This equally applies to wages, and the pay of the Services. You have got to pay more for them. I want the Honourable Members of this Council to keep that clearly before them. The Resolution which has been moved by the Honourable Mr. Crerar in effect proposes to adopt the majority of the recommendations of the Royal Commission on the Superior Services in India, the chief exception being that the recommendations on the Medical Services as a whole are set on one side, and I think rightly so, for further consideration. There is also what might be considered a minor matter. The recommendations of the Commission as regards small increases in the pensions of Members of Council and of Governors of Provinces, promoted from the Services, are not being adopted by the Government of India.

It has been seen that the Report does not make any general recommendation for increases in the pensions of the Indian Civil Service, the Commission contenting itself with the reflection that the abolition of the system under which the members of the I.C.S. contributed 4 per cent. of their pay annually would in years to come provide for an extra £250 a year for those drawing a pension. The years to come will not arrive until 1944 if I understood the Honourable the Home Secretary correctly. What about the members of the I.C.S. who are about to retire shortly. I would have welcomed some suggestion in the Report that relief should be given to them in the matter of their pensions possibly taking the shape of some allowance in respect of the very large reduction in their pensions on account of income-tax in England. However

the Commission after due deliberation has not thought fit to make any recommendation with regard to this matter, and I do not feel it incumbent upon me to press the point. But I do think that, presumably out of a sense of modesty or self-abnegation the Government of India have acted somewhat over sensitively in not adopting the recommendations for small increases in the pensions of those members of the I.C.S. who by sheer ability, hard work and life-long devotion to their duties have climbed to the top and occupied positions of Members of Council or of Governors of Provinces. I cannot agree in any way with the remarks published in the Report as a foot-note by one of its distinguished members. He gives as one of his reasons for dissenting from this particular and strong recommendation of the Commission that he would not like to disturb the feeling of equality and camaraderie of the Services. I do not agree with that in the slightest respect. To follow such an argument to its logical conclusion you might as well suggest that the pay of the Member of Council should be no more than that of a Collector. The Commission in making its recommendation for a higher pension for those most successful in the Service to my mind put forward a very reasonable proposal, but I do not think it would be becoming in me to bring forward any amendment for reasons which perhaps I need not dilate upon but which will be readily comprehended by all the Members of this Council. I think though it would be a befitting and gracious act on the part of one of my Indian friends in this Council to bring forward such an amendment and to suggest that paragraph 68 of the Report should be given effect to. I would welcome such an amendment and give it my cordial support. One word more on this subject and that is the cost. The cost would be very small. Its immediate effect works out to about £1,200 a year, and its effect when fully felt would not, I believe, exceed something like a sum of 1½ and 2 lakhs a year.

Sir, I will now refer briefly to the Indianisation which is provided for at a steady rate in the Lee Report. It will be seen that the Indianisation suggested far exceeds the proposals of the Montagu-Chelmsford report of only a few years ago, and yet some Members of the Legislature are not satisfied. The figures given to this Council by the Honourable the Home Secretary I confess astounded me. I will not go into them in detail.

The Honourable the Leader of the House has already referred to them and a careful study of them will show that the progress of Indianisation is not slow, and in the opinion of many, if not of most, of the Members of this Council it is as rapid as should be adopted with due regard to the safe, efficient and satisfactory administration of this great country.

Sir, having dealt briefly with the progress of Indianisation, I now come to the all important question of the retention of the British element, and I think it will be agreed by all of us here that a proportion of British in the All-India Services will be necessary for many years to come. In voicing these views I feel sure that the Honourable Members of this Council will recognise that I have no intention nor that there is any suggestion on my part to cast any reflection on the ability and capability of Indians, and here I speak with confidence, coming as I do from Bombay where perhaps Indians and Europeans are in closer touch than in any other part of India. We work there together freely and unrestrainedly in business and in many other walks of life, and I

feel sure that I shall have the support of my fellow Councillors from Bombay,—I am glad to see one has recently arrived,—in stating that mutual respect in many undertakings is most marked and the results of their collaboration have met with great success. I see no reason why a similar state of things should not obtain in the Services and why the combination of the intellectual powers of the Indian and the European should not continue to bring forth the very best results for the happiness and welfare of the many millions in this country whom they are called upon to govern and to assist with their advice. Sir, the British bring to this country, by virtue of their education and training from their boyhood, a high standard of efficiency and integrity. This high standard is welcomed and adopted also by the Indian official. However, at present, this high standard emanates from the British, it is the backbone of the Service and I for one would deprecate that backbone being removed.

Sir, as I have already said, I am sincerely convinced that the Members of this Council approved of the retention of the British element in the All-India Services. It therefore remains to consider how the retention of that element can best be effected. It is obviously desirable—nay, necessary—that the British lads who come out to this country should be the best that Britain can produce and to continue to be picked men. Unfortunately it has been borne in upon us in recent years that, unless the Services are made more attractive, we shall not find British candidates coming forward possessed of those qualifications. And here I will refer briefly to the speech made by my Honourable friend behind me. He suggested why should you pay them more? Are you getting the right men? Yes, up to date. Are the right men likely to come forward? No. If you do not make your Service more attractive, what will happen? If you do not have innumerable more candidates for the vacant places, whom will you get? You will get the wasters coming out. Have you hitherto had wasters coming out? No; you have had the highest and best that Britain can produce.

To continue, Sir, to my mind the recommendations of the Royal Commission are the very least in the way of improving the Services which can have the effect of attracting the right man to India. I hold strongly to the view that the Resolution before us should be adopted without any petty cheese-paring and without the adoption of any inconsequential and non-constructive amendments.

Sir, from what I gathered when listening to the debate in this matter in the other House and from reading the report of it in the papers, I have come to the conclusion that the chief objection to the adoption of the Report emanates from the fact that the Royal Commission was appointed against the wishes of the Legislature. Let me, however, remind Honourable Members of this Council that the grievances of the All-India Services were real, have been real and have not been fanciful. The Services have waited patiently for some amelioration in their lot for many years, and to my mind the action of His Majesty the King in appointing a Royal Commission was in no way too precipitate. It must be remembered that after all the responsibility for the government of this country remains with the Government at Home, and when steps are taken, none too soon, to alleviate the disabilities under which the All-India Services in this country have been suffering, I cannot see that

the action is in any way one to cavil at. I listened with regret to the Honourable Mover of the amendment when he proposed that it was not desirable to give effect to the recommendations of the Lee Commission pending the inquiries about Reforms. I believe that a somewhat similar enunciation was made in the other place, and I was much grieved to find that an amendment to that effect had been brought forward before this Council. What have the individual members of the Services to do with legislation affecting the Constitution? And why should their individual difficulties remain unsolved pending the results of the inquiry of the Reforms Committee? In lower walks of life when individuals are dissatisfied with their pay they go on strike and thus bring before their employers their grievances, and if their grievances are just they are readily remedied. Would anybody suggest that the All-India Services should take action of this sort? Men in the Services have had to wait year after year in the hope that some relief would be found for their financial embarrassment.

Sir, I support whole-heartedly the Resolution brought forward by the Honourable the Home Secretary. I condemn as ungenerous in the extreme, and wholly to be deplored, the view of any one who proposes to use the granting of financial relief to the Services as a lever for further amendments in the Constitution. Sir, I appeal to Honourable Members of this Council to refrain further from dragging in politics where politics are not required. I appeal to Members of this Council as man to man to rise to the occasion and to show to the people of India and England that this Council is ready to give relief to the Services—relief for which the Services have appealed for so many years in vain.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-official): Sir, I felt very happy and very proud indeed at the tenour of the speech which was delivered by the Honourable Mr. Crerar in placing his Resolution before the House; but I regret the remarks made by the Honourable Sir Arthur Froom who has just sat down. I have always thought that questions of this description should be discussed in no other spirit but one of goodwill, and I hope I shall practise the utmost self-restraint in giving expression to certain views which perhaps will not appeal to my Honourable friend Sir Arthur Froom and others who might think like him.

It is to me a regrettable circumstance that the Report of the Lee Commission should be forced more or less upon the Legislature at this time—particularly when after the introduction of the Montagu-Chelmsford Report sums amounting to a crore of rupees have already been given to remedy the grievances of the Civil Service. It is also, Sir, a circumstance to be regretted that after the Report of the Retrenchment Committee which proposed a reduction of over 5 crores this question should come up before us. It is equally unfortunate that this discussion should take place at a time when the Reforms Inquiry Committee is going on, when Minister after Minister has given evidence that the manner in which dyarchy is being worked is unsatisfactory, that the difference between transferred and reserved subjects should be done away with, and it is high time that provincial autonomy was given to the Provinces. My Honourable friend Sir Arthur Froom asked what has this proposal to give relief to the Services to do with constitutional development? I tell him in all

sincerity and earnestness that it has a great deal to do with it. I give my word, and I speak with authority, that not only my countrymen here but elsewhere would undoubtedly be prepared to give relief to the Services if you brought it up as a separate recommendation and presented it to this House clause by clause. It was a demand made elsewhere. It was a demand made in several parts of this country in the course of public discussions in journals and at meetings. I hope the Honourable Sir Arthur Froom has read the whole of this Report carefully. The proposals are interdependent and are inextricably bound up. The Commission itself says so, and says very clearly, that you cannot separate one part from another without doing violence to the manner in which the whole thing has been constructed. And if to-day I am here to say that I regret I cannot support this proposition, it is not because I or any of my countrymen who share my views are ungenerous (as the Honourable Sir Arthur Froom seems to think) and unwilling to give relief which the Services need. I do not believe anybody in this country would be so base or mean as to stand the aspersion which my Honourable friend Sir Arthur Froom has cast upon them.

Sir, I cannot give my consent to this Resolution as it is framed and presented to this House because in my opinion it undoubtedly perpetuates an anomalous system. When at the time of the Montagu-Chelmsford Act many of my countrymen, particularly the Liberal Party to which I have the honour to belong, agreed to a condition that the appointment and control of the Services and their discipline and future should be in the hands of the Secretary of State, many people agreed to it reluctantly; but since then the opinion has been publicly expressed that it was an unfortunate thing. There is not a politician of note in India who does not now say that that system should cease. It is an anomaly, Sir. I say at once that it does great credit to their sense of loyalty and sense of discipline and their devotion to duty that the Civil Service should obey the Government of India, though they are always looking forward to the Secretary of State for India as the ultimate authority. But can any one point out to me any country in the world where this system of appointment and control of services is in the hands of an outside authority six thousand miles away? Even if there were any, I shall be unable to give my vote to this proposition as it is.

I should like to point out, Sir, that I quite agree that the Commission's proposals for Indianisation are certainly in advance of the present state of affairs. But without going into details I must say that there are many who think that Indianisation could not be effected even to the extent of fifty per cent. on the calculations arrived at by the Lee Commission; and by the way may I say here that we have not the evidence of the Lee Commission before us? We have none of the data which they had to come to a conclusion. We are simply told that, according to the scale they have proposed for Indianisation, 50% would be reached in 15 years in the case of the Civil Service. My Honourable friend, Sir Arthur Froom and others who talk about rapid Indianisation do not seem to be acquainted with the real Indian view on this question. It is not a mere question of power and pelf and petty attempts to get offices. It is a question of trying to see as far as possible that the people of this country have their proper share in the administration and that the Services are under the direct control of the Central Legislature, with His Excellency the Viceroy at

the head, as at present. I feel honestly that if the proposals of the Lee Commission are given effect to, it will add to the difficulties which are already bad enough in all conscience. It is clear—and the whole Report of the Lee Commission bears witness to the fact—that these proposals are made because there is a great deal of distrust and suspicion and a cloud of uneasiness hanging over some members of the present Services and haunting those young men who wish to come here. Now, I think in all fairness it is not a bad proposition to state: “Do not bring more young men into this country. Stop recruitment for some time. It is not fair to these young men that they should be brought into an atmosphere which as you say is already surcharged with suspicion and distrust.”

I also wish to point out that this proposal to stop recruitment is nothing strange. It is the opinion of our distinguished friend, the Right Honourable Srinivasa Sastri, who cannot be accused of taking an ultra-radical view. It is also the view of Sir Sivaswamy Aiyer and of Sir Chimanlal Setalvad, two gentlemen who held the office of Member of the Executive Councils in their respective Provinces and whose moderation in politics is undoubted. It is also the view of a gentleman who was till lately a Minister, Mr. Chintamani; it is also the view of one who adorned the place of Member in the Viceroy's Executive Council till recently, about whose services to the State a Gazette Extraordinary was issued. I refer to the opinion of Sir Tej Bahadur Sapru. It is also on record that the National Liberal Federation consisting mostly of moderate politicians have said that it is desirable to stop recruitment. May I say, speaking for the Province from which I come, that the combined Madras Government have deliberately stated as their opinion that recruitment should be stopped? I may say, in fairness, that their conclusion is arrived at perhaps for a different reason from the one which I give. It is also the view of the Ministers in Assam; it is the view of the Honourable Raja of Mahmudabad, a distinguished Muhammadan nobleman who had taken an active part in the political life of the country and who is now an official. It is also the view of the minority in the Bombay Executive Council.

Further, I wish to draw the attention of the House to the fact that the recommendations of the Lee Commission have been disapproved by a majority of the Provincial Legislatures; they have been disapproved by Madras, by the United Provinces, by Assam, by Bihar and Orissa and by Burma—I speak subject to correction. If in spite of all this, having regard to the fact that the recommendations are so inextricably bound up, that we are told that if you detach one you are more or less doing violence to the spirit of the whole recommendation, if in spite of all this, you still ask me to vote for a proposition which means perpetuating the existing system of recruitment and control and the vesting of authority in an outside individual who is six thousand miles away, a proposition which by bringing in new men in the present circumstances is calculated to add to the tension of feeling which at the present moment exists in this country, I say you have no right to do so. If you ask me to do all this, if you accuse me of being wanting in loyalty and magnanimity and charity, I only wish to turn to you and say that you are asking “me, an Indian, to mortgage the future political destinies of his country”.

I turn now from this to a consideration of the financial position—the suggested increase of pay, passage and pensions. Allow me to state in all sincerity that I have had to study a great deal of literature about the Civil Services. I have had to study it very carefully when I had the honour of being called upon to give evidence by the Madras Government before the Islington Commission. In my own professional career as a journalist and publisher I have had to study the pronouncements of not one or two but of many distinguished Indians who have helped to make this nation better than it was and some of whom are still with us. Allow me also to state that for several years as a member of the Madras Corporation which has always been presided over by civilians, and in my capacity as member of several committees, in which I have served along with civilians I have had opportunities to watch their work. Let me state unhesitatingly without any reserve that I have always been struck by their high standard of duty, by their integrity and sense of discipline and their willingness to adapt themselves to altered circumstances. All this I grant. But when I say all this allow me to state also that in the opinion of many of my countrymen, an opinion which was supported by the Honourable Sir Basil Blackett the other day, the Civil Service is a highly paid Service. It is a very unique Service, unique in character, unique in policy, unique in its unparalleled devotion to duty but unique also in the very high scale of salaries which its members get as compared with Services in other parts of the world. Let me also state that it is not a view which I am propounding for the first time. I am one of those who have publicly and privately protested against the attempts made by the Ministers, many of them Moderates, who insisted upon getting equal salaries with Executive Councillors. Let me tell my Honourable friend, Sir Arthur Froom, that the view I have consistently held is that Indian Ministers, once they got the right of equal status with Members of the Executive Council, had no right to demand the same salary; because from the time of the venerable Dadabhoy Naoroji, we have always said that our services were costly, that India is poor and cannot afford to pay such high salaries; and I am proud to say after sticking to a very unfortunate point of view for sometime that some Ministers in the Provinces have practically agreed to take less pay than before.

THE HONOURABLE SIR ARTHUR FROOM: I never drew any comparison between the salaries of Ministers and the salaries of Members of the Executive Council.

THE HONOURABLE MR. G. A. NATESAN: My point is to show that when all is said and done the salaries here are fairly high now and they should not be increased without regard to the actual condition of Indian finances and that it is a view which I am not holding now after the presentation of the Lee Commission Report but long before I saw the Report. Long before this Report I and some of my friends have been protesting that Indian Ministers ought not to get the same salaries as Executive Council Members, and for nearly half a century we have been saying that the salaries are high.

Sir, to sum up the popular view, I quote some extracts here:

"The Indian Civil Service and all the cognate services are very highly paid."

"Old times have changed, and the time is come when the salaries should be revised with reference to the market rate prevailing all over the world."

"There should be no more agreements and covenants. These covenants are most burdensome; they bring in their train costly furlough allowances, pensions, and a lot of other charges. All these must be abolished."

"India wants efficient but less costly service from any place in the world."

"If impartially considered, the Government of India ought to pay no heed to the recommendations made by the Public Service Commission, that about a crore of rupees at this juncture should be added to the burdens of the tax-payers."

Sir, these observations were made seven years ago, in 1917, at the time a Resolution was moved in the Viceroy's Legislative Council by Pandit Madan Mohan Malaviya, and I believe the Honourable Mr. Sastri also took part in the discussion. Since then one crore has been added to the salaries of the All-India Services. There is not a nobler friend of British rule, nor a truer or warmer admirer of British character than the Honourable Sir Dinshaw Wacha, or one who is more in favour of law and order. These extracts are from a speech delivered by him, whose collected speeches it has been the privilege of my firm to publish. I admit since then certain difficulties have arisen. But let me state that in any attempt to ask us to agree to an increase of pay, pensions, passages, etc., your claims to relief are sternly limited by the low condition of our finances. The Honourable the Finance Secretary has often told us that the present condition of Indian finance is not sound. (*The Honourable Mr. A. C. McWatters*: I don't think I said that). I will put it another way. We are in the circumstances in which extraordinary difficulty has been felt in making both ends of our Budget meet.

Now, I come again to the question of calculation. It has been estimated that the cost is about one and one-fourth crores, with regard to pay, pensions and other things, and kindly remember that this is limited to the All-India Services. But what about the others? We had an authoritative statement from Sir Basil Blackett that already there is a proposal for increase of pay for Army officers. Could this House appear to treat one set of Services one way and another set of Services in another way? What is to become of European officials in the Railway services when you take over the G. I. P. and E. I. Railways? And may I ask if you have included the cost of special medical attendance which is one of the suggestions made by the Commission? Have you included also the cost of house rent allowances which have been proposed? May I ask further how would these new proposals affect the Budget for next year?

Despite all this, let me state that I am prepared, speaking for myself and I am sure there are others who will agree with me, if you put a proposition simply and purely by itself which says that we should vote something for the relief of these Services we are prepared to vote for the same. As I said I have been on terms of intimate friendship with several Civilians. I am bound to say that I think the grievance is not universal. It is true of some Civilians who have their boys and girls to educate in England and who find it difficult to make both ends meet. Therefore, give an opportunity to me and to others who are similarly situated to consider that in order that we may vote upon the proposals separately and give relief to existing members of the Service only who are hard hit. But do not put a set of Resolutions tagged together and tell me that if you do violence to this part you will nullify the whole

thing, and that the whole structure would go to pieces. Sir, it is not fair to myself nor to the Civil Services who have very naturally the right to expect relief. I am glad that already the Honourable the Home Member has said elsewhere and my Honourable friend, Mr. Crerar said here, that in the case of officials drawing a salary of over Rs. 3,000 you would not give increased salaries. That only shows that even in these recommendations you can do violence to one portion without nullifying the rest. I have no doubt as to the result of this debate here and also of the voting. But I do ask in all earnestness, just as the Government of India have very carefully scrutinised these proposals—and I find at least one of these proposals could not be put before the Assembly and its support or the support of the people of India asked for it, they ought to scrutinise again every other proposal despite the fact that these proposals *en bloc* may be carried in this House. May I also point out that it has been the pride and the very just pride of the Civil Service—that the Civil Service here are the trustees of the people of India. I ask you and I appeal to you—I will not be silly or adopt the tone of a non-official member of the European mercantile community, who said elsewhere that they would withdraw all support from Government—and that they will cause them trouble if all these proposals are not carried *en bloc*—I venture to adopt the more humble tone of a loyal citizen and to ask you to remember that you are the trustees of the people of India, and to remember the responsibilities and solemn obligations which trusteeship inevitably carries with it in every part of the world.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, it is with the greatest diffidence that I, a soldier, and only a very temporary member of Government, venture to address this House on this subject. I only do so because after many years' service in India, the land of my birth, I feel that I should say a word or two regarding the affection and regard which I have for India and I also feel that from the somewhat detached point of view of a soldier I may be able to speak in an unbiassed manner regarding the work done by those great Services regarding whom the Lee Commission has just reported.

I would like to begin by saying how very touched indeed I was at the welcome which I received on the first day I entered this Chamber and by the receipt of a letter written by one who, I imagine, is possibly one of the oldest, certainly in years, of my fellow members, for he tells me that he has been a lawyer for 46 years. The Honourable Mr. Karandikar very kindly wrote to me, and in doing so referred to the respect and regard, indeed affection, he had had for a member of the Bombay Civil Service who served for 40 years in that Presidency, a name, he told me, which was still after many years a household word. That civil servant was my father and I only mention the fact to show the traditions in which I have been brought up, traditions which have been with me from the date of my birth down in the Mahratta country. And with those traditions it is surely only natural that I should be very jealous of the good name of India and anxious to do all I can to help her and her people. As regards the Lee Commission Report, the only point which really affects me personally, as Member in charge of the Army Department, is that in connection with the Medical Service. These have been already fully explained by my Honourable and learned friend Sir Narasimha Sarma in another place. While in another place details were given regarding the effect on the

military Medical Services. I think it will probably be patent to all that the recommendations, as far as the military portion of the medical service was concerned, was really beyond the terms of the Royal Commission. The Government of India have therefore decided to put them entirely aside for the present, and not to consider them in connection with the remainder of the Lee Commission Report. I can only assure all Honourable Members of this House that if they have any recommendations to make regarding this subject these will receive the full consideration of Government. Sir, it has been recognised by all civilised Governments that it is essential to keep up a war reserve for medical service, and it has also been recognised that that war reserve must be taken from the ranks of civil practitioners. The actual form of that war reserve has not yet been decided.

Talking about the medical service, I am rather reminded of a passage in a despatch I happened to come across the other day. It was a despatch of the Government of India on the termination of our first expedition to Burma in 1811. That despatch finished up with the curious and cryptic sentence "though there were 38 doctors yet there were only 20 deaths." It rather struck me that the Government of the day took strong exception to the fact that the troops had not consented to die in proportion to the number of medical officers with the expedition. When I listened to a speech in another place I could not help thinking that possibly one of the Members was actuated by the same feelings and that he resented the fact that a very large number of beds in both our British and Indian hospitals were untenanted. I may mention, incidentally, that the number of these beds is being greatly reduced. But it seemed possible that this Honourable Member would have been content had all these beds been full. Surely those empty beds are the very greatest tribute that can possibly be paid to the efficiency of our medical service. Sir, I expect that many Honourable Members of this Council took the opportunity, as I did, of attending in another place last week and listening to the words of wisdom which we then heard. I heard a reference in moving terms to the disappointment felt by a hypothetical gentleman who had hoped for a ride on a magnificent and high spirited horse, only to find that he was sitting on a hollow wooden horse and moreover fastened down by a steel frame work. I should have felt sorry for his disappointment but for the fact that a story happened to come to my mind, which an Irish friend told me about an uncle of his. Passing through the streets of Dublin he saw an advertisement offering a reward of £5 to anyone who could sit on a certain mechanical horse for five minutes. The uncle was at once persuaded to try his luck on that mechanical horse. Being the rider he was, he sat the horse with success for four minutes, but as the story was told to me, during the last minute the horse began to buck, bound, plunge and kick with terrible results—(I am sorry I cannot vouch for the truth of this story); but as told me the result was so appalling in the very last minute that in the words of the narrator, "the horse kicked himself inside out, and I have never seen my uncle since!"

Well, Sir, when I thought of that I could not help thinking to myself how extraordinarily fortunate was the gentleman we heard of in the other place, who was still comfortably seated on his wooden horse, thanks to that honest steel frame, which kept him in his place, till he had learnt to have a really firm seat in the saddle and be able to ride by himself. I trust the people of India will never

forget or despise that framework which has done so much for them in past generations.

But, Sir, listening to some of those speeches, I wondered whether I was in a dream when I heard an Honourable Member contrasting what he described as the present poverty and misery of this country compared to the prosperity, happiness and well-being in times gone by before men of the British race came out here to help in carrying on the government of this country. In my mind's eye, I could see hordes of Afghans and Mongols sweeping down in their invasions over the North-West Frontier, leaving behind them devastated cities and whole tribes of people wiped off from the face of the earth. I saw before me Nadir Shah the Persian sacking Delhi, and that the beautiful city being given over to murder and rapine and plunder for days. I could see the armies of the Mahrattas—of the Peshawa, of Scindia, Bhonsla and Holkar, followed by swarms of Pindaris, sweeping over India and sparing none. I saw before me the gaunt spectres of famine and pestilence sweeping through the country with no hand to stay their progress. You have only to march, as I have done, through Central India, Rajputana, the Deccan and elsewhere to come across what were evidently once magnificent cities but are now in decay and ruin—because either they were overthrown by a merciless enemy or destroyed by the ruthless ravages of pestilence and famine which swept through them when no one was willing or able to give a helping hand. And when one comes to think of that and compare it with the present state of affairs one realises how extraordinarily easy it must be for one who has no knowledge of the past, to have his point of perspective obliterated and his sense of proportion entirely gone. But, Sir, when I heard the dangers, poverty and misery of those days contrasted as happy with the present, I really wondered whether the speaker meant all he said. Think of the present state of things in comparison to that which I have just described. Think of India covered from north to south and east to west with her lines of railways, her telegraphs, her roads and life-giving canals. Let us realise how during the last 60 years everyone has been able to go about in perfect safety and security, how everyone who wishes to sow his fields can do so in the certainty that he will reap them in due course. Let us realise that traders have been able to carry on their business with safety; hospitals have been established, education has been spread and famines have been provided for and their effects minimised as far as they humanly can be. And, Sir, I would ask who has been responsible for this great change which has come over the country? Personally I have no hesitation in saying that the greater part of the responsibility for that lies upon the shoulders of the Service whose position is now being discussed, I have no hesitation in saying that after 40 years' experience of them—and I will add that there is no Service in the world which contains anything like the same number of loyal, efficient and devoted men—men who time after time have sacrificed their lives and are still prepared to sacrifice their lives for the sake of India and its people. I have seen them working away through the hot weather, absolutely alone, right out of public ken—working entirely for the good of those whose destinies have been placed in their hands—working through epidemics of cholera and plague, with no thought of themselves, and no thought of reward or recognition, and doing their utmost to prevent—very often with success—anything like communal disturbances, but when such have un-

fortunately broken out, I have seen them dealing with such, with courage and determination and very often at great personal danger. It may be quite impossible to estimate the number of lives and the enormous amount of property which has been saved by these officers on such occasions. Personally, Sir, I have never quite liked to regard the Services as a steel frame—solid, efficient framework though they are: I have rather regarded them as the cement which has bound India together; and I for one think that without it India could never have reached the stage to which she has now come. Think of India in days gone by. The India of those days was a conglomeration of nations—Pathans, Sikhs, Punjabis, Mahrattas, Rajputs, Tamils, Scindis, Bengalies, Burmese and goodness knows how many other races. They have been bound together into one solid nation by, as I say, the cement of the Imperial Services. I appeal to the Members of this House to remember what those Services have meant not only to India's past, but what they mean to India's future. And remember too that the members of those Services have loyally accepted and will carry out the promises held out to India under the Government of India Act of 1919; that they are doing, and that they will continue to do, their duty in helping India towards that state of self-government which has been promised by the British Parliament. I entirely associate myself with my Honourable friend and Colleague Sir Muhammad Shafi in what he said on the subject of "*Ma-bap*" government, but from my personal observations in villages I still believe there are an enormous number of those who are really thankful for the help, sympathy and kindness of those British officers who come to them in the guise of *Ma-bap*. I am certain there are many who will confirm me in that; the time may come when they will not be regarded in that respect, but I honestly believe at the present moment, if the British officer were to withdraw from his role of *Ma-bap*, the act would not only be regarded as the greatest unkindness but also as a great betrayal on the part of those whom the people of the country have learnt not only to trust but to love.

THE HONOURABLE THE PRESIDENT: I should like to know what the wish of the House is about coming to a decision on the amendment before it. The speeches to which we have been listening have been gradually drifting away from the main object of the amendment to the Resolution itself. If it is the pleasure of the House we might, I suggest, deal before we adjourn this evening with the two dilatory amendments. In that case the amendment of Sir Deva Prasad Sarvadhikary should be put to the vote now. Is that the pleasure of the House?

(The House signified its assent.)

To the Resolution moved by the Honourable Mr. Crerar the following amendment has been proposed:

"That after the words 'This Council recommends to the Governor General' the following words be substituted:

'That it be represented to the Right Honourable the Secretary of State for India that pending the inquiries about Reforms and action that may be taken there on, it is not desirable to give effect to the recommendations of the Lee Commission'."

The question I have to put is that that amendment be made.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: I now call on the Honourable Mr. Karandikar to move formally his amendment. If there are any remarks he wishes to make they must be strictly limited to the subject of the amendment; and any remarks thereafter will be similarly limited.

THE HONOURABLE MR. R. P. KARANDIKAR: Sir, the amendment which stands in my name and which I have formally to read is this:

“That for the original Resolution the following be substituted, namely:

- ‘This Council recommends to the Governor General in Council that the several recommendations of the Lee Commission be referred to a Committee of both Houses, of which ten will be non-official elected Members of the Assembly and five of the non-official elected Members of the Council of State, all the fifteen being elected by the two Houses respectively, for consideration and report after review of all matters availed of by the Lee Commission and all such other matter, documentary and oral, as they in their discretion deem it necessary to call for, and, in the event of their favouring any of the recommendations, for an expression of their opinion as to how the extra cost due to such recommendations is to be met out of the public revenue, and that this report be due by the end of 1924.
- (2) That until such report is further considered by both Houses, no action affecting the finances of the country be taken on the Lee Commission.
- (3) That it is open to the Committee so appointed to make any other suggestions which in the interests of the ideal of self-government accepted for India they deem it desirable to make.
- (4) That the Committee do appoint their own chairman and their own officers and that as a temporary measure and until such appointment the Secretary of the Legislative Department be the Secretary of such Committee’.”

Bearing in mind the observation from the Chair I shall limit my remarks and merely refer to the sentiments that have prompted me to stand up and move this amendment. Honourable Members have just heard from His Excellency the Commander-in-Chief in how high esteem I do hold and did hold at one time members belonging to the Civil Service, especially those that belong to the judicial side to which Mr. Justice Birdwood had the honour to belong and Honourable Members will realise that I would be the last man to say anything in disparagement of the work done by the Civil Services generally; it is from the point of view that any vote on this Resolution should carry real weight that I am moving this amendment. Here I am reminded of what Sir Malcolm Hailey said in the other place when the discussion took place about the adjournment of the House and when he was asked as to how any committee appointed by the Government of India on such a matter could not have carried weight and why a Royal Commission was needed. Sir Malcolm Hailey then pointed out that no committee appointed by the Government of India could have carried as much weight in England with the British people, who have to be satisfied, that the recommendations emanated from the highest source such as a Royal Commission. I am anxious that no recommendation that might go from this House should fall flat; and I am anxious that there must be a full and thorough inquiry satisfying all it may concern, and therefore I suggest a Committee to go into the matter fully, and this can only be done by associating

Members of this House with Members of the other House ; and though the other House, if my memory is right, did not mention Members of this House in the committee proposed there, I am willing to have a joint committee of both Houses in order that we might have all the importance attached to such a Resolution in consequence of what we may do. My anxiety is also that the matter should be considered as quickly as possible. I am not willing to defer the matter until the result of the Reforms Committee is out. The Reforms Committee, I am told, will be sitting in October. If it does, well and good. But if it did not I am anxious that this inquiry should be pushed on and that the public should be satisfied as to the matter on which the Lee Commission made their recommendations. As yet it is a sealed book. I really do not like that idea — that there should be no evidence before the public to sustain the recommendations of the Lee Commission. There must be an endeavour made to place all the matters before the public so that a full judgment may be assured. It is from this point of view that I am making this recommendation in my amendment. I have also endeavoured in the third clause to make it possible for any other recommendation to be made — with reference to the points that were discussed in connection with self-government for India. This Committee will have to consider also whether it is essentially necessary that the reserved subjects should be reserved for the reserved services and that those departments should be controlled by the Secretary of State, and whether the Public Services Commission which is likely to be brought into existence must be only the representative of the views of the Secretary of State, as the Lee Commission contemplate. The Public Services Commission would be appointed wholly by the Secretary of State ; its members cannot be chosen by any Assembly or Legislature ; the Lee Commission has made only a recommendation with reference to their nomination. I submit that it is possible for the Committee I suggest to make some recommendations to Government in that matter also. I am not deterred by the fate of the amendment which has just been thrown out. The Government of India have been twice defeated, first when the adjournment was moved and second on the 12th instant in the Assembly. Still they persist in bringing forward this Resolution here, and I therefore feel it necessary to submit this recommendation of mine as an amendment.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI :—Sir, I have only a few observations to make in connection with the Honourable Mr. Karandikar's amendment. The House is aware that the Royal Commission consisted of 8 members, 4 Europeans and 4 Indians. Of these 8 members, 5, *i.e.*, a majority did not belong to any of the Imperial Services in India. Of the 3 Indians, Mr. Bhupendranath Basu is well known, I have no doubt, to Honourable Members of this House as one who at one time was a leading figure in the public life of this country and who spent a long number of years in the service of his motherland. The other, Mr. Sanarthi, was a Member of the other House, and a very leading Member, who always took an active part in the discussions upon public affairs which took place in the Legislative Assembly. The third member, Sir Muhammad Habibullah, was a member of the Bar who after some years of practice was appointed to a special post in Madras and subsequently became a Member of the Executive Council there. The only Indian member out of the four members who was a member

of our services was Rai Bahadur Pundit Hari Kishen Kaul, one of the leading members of the Punjab Provincial Service. Of the four European members two came out from England, one a well-known authority on constitutional law and constitutional history and the other an *ex-Cabinet Minister*. There were only two European members of the Commission who belonged to the Services, one to the Indian Civil Service and one to the Indian Police Service. That was the constitution of this Commission. The Commission travelled all over India and held inquiries into the questions which had been referred to them. My Honourable friend, Mr. Karandikar, complained in his speech this morning that their inquiries were one-sided, that the popular view was not placed before them, and in consequence their Report cannot carry such weight as it would have carried had both sides of the case been represented to them. Well, Sir, whose fault was it that the popular view was not represented to this Commission? Unfortunately, the popular leaders decided upon boycotting the Commission, and the result was that they did not place their view of the matter before it. But it must not be forgotten that there were two popular leaders on the Commission itself, Mr. Bhupendranath Basu and Mr. Samarth, and in consequence they were well able to place the popular view before the body of which they were members. And I have no doubt that it was as a result of their advocacy of the popular view that all this provincialisation of the Services operating in the transferred field and the greater Indianisation of the All-India Services has been advocated by the Lee Commission. Therefore, it seems to me that the reference of all these matters again to a Committee of the two Houses will serve no useful purpose and will merely delay decision upon the problems which were referred to the Commission. And after all, there have been two full dress debates, one in the other House and again one here to-day, when Honourable Members have had full opportunity of expressing their views and of advising the Secretary of State with reference to what the right position in this matter is. Where is then the necessity of postponing decision by referring this question again to a Committee of the two Houses? No useful purpose will really be served by this reference to a Committee consisting of non-officials and officials. The Royal Commission itself consisted of officials and non-officials and in consequence a second reference to another committee will not bring about any practical results. And I am afraid the amendment moved by my Honourable friend, Mr. Karandikar, will create a position of difficulty, for one of the two Houses of Legislature because in view of what has been said and in view of the pronouncements made, really they would have to face a very difficult position indeed by coming on to this Joint Committee and then swallowing what they have hitherto said. Therefore, I think, from all points of view really it would be best if my Honourable friend were to withdraw his amendment.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, I object to this amendment from another point of view. This amendment is of a peculiar character. It wants a Committee of both Houses to sit in judgment on the Report of the Lee Commission, and as such the proposal to my mind is simply ridiculous.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: That is what we are doing now.

THE HONOURABLE SIR MANECKJI DADABHOY : No, we are not doing that now. What does this amendment ask ? That 10 elected members of that House associated with 5 elected members of this House should sit together and consider the Report and call for all documentary, oral and other evidence as they think fit and make any fresh proposals they deem proper. In the sub-clauses to this amendment the widest possible powers are allowed to this Committee. Now, Sir, does my Honourable friend seriously intend that the country should spend another five lakhs of rupees and that what the Lee Commission did by way of thorough investigation should be repeated by this Committee ? Is there any man in this Council who would attach more weight in such administrative matters to the conclusions of amateur politicians who never had any administrative knowledge or experience ? Is this Council to be guided by the views of politicians who had no administrative training in big matters involving the administration of the country and the welfare of one-fifth of the human race ?

THE HONOURABLE MR. R. P. KARANDIKAR : We will have the Honourable Member himself.

THE HONOURABLE SIR MANECKJI DADABHOY : I submit the proposal is one which does not appeal to me. It is, in the first instance, impossible for this body, constituted as it would be, to come to any decision. On that body who would be elected ? On that body elected Members mostly will be representatives who have shown great bias and prejudice against this Report and who have refused to discuss and debate the Report from the standpoint of the materials that are embodied in the Report. Is that body likely to come to a decision worthy of the importance of the subject ? I do not believe at all that there will be any unanimity in that Committee. Public money and public time will be wasted if this suggestion is accepted. I therefore request the House to reject the amendment if my Honourable friend does not agree to withdraw it.

THE HONOURABLE THE PRESIDENT : The motion now before the House is :

“ That for the Resolution proposed by the Honourable Mr. Crerar the words set out in the amendment moved by the Honourable Mr. Karandikar be substituted.”

The question I have to put is that that amendment be made.

The motion was negatived.

16th September, 1924.

THE HONOURABLE MR. G. S. KHAPARDE (Berar : Nominated Non-official) : Sir, I beg to move :

“(a) That for the words and figures from (1) that the following recommendatio

of the Royal Commission' down to the end of paragraph (1) (b), the following be substituted, namely :—

- (1) That in modification of the recommendations of the Royal Commission on the Superior Civil Services in India on the subject of the recruitment and control of the All-India Services, the following propositions be adopted, namely :—
 - (a) That every All-India Service, whether operating in the reserved or in the transferred field, should, so far as future recruits are concerned, be appointed and controlled by Local Governments ;
 - (b) That recruitment for the All-India Services be so conducted as to produce at the earliest possible moment not exceeding ten years, a proportion of Indians to Europeans in each such service in the ratio of 75 to 25 per cent.
- (b) That sub-paragraph.....”

THE HONOURABLE THE PRESIDENT : The Honourable Member should not move his clause (b) at the present stage.

THE HONOURABLE MR. G. S. KHAPARDE : In dealing with the amendments I take it for granted, and hope that the Honourable Members also will do so, namely, that the Lee Commission was very well composed, that is to say, its personnel was unexceptionable. Its recommendations are also unanimously arrived at, and that both these facts deserve our respect, and we have got to treat them with as much deference as we can. Well, arising out of that circumstance is a circumstance which I wish to mention specially, namely, they being composed of men of great eminence according to our Hindu ideas they were as Brahmins are the best of men. Well, these are the Brahmins of the whole British Empire and such men were sitting together on this Lee Commission. But like Brahmins—the Brahmins are fond of the caste system—and these being the Brahmins, they are also fond of the caste system, and they introduced it here. Brahmins are divided into two parts, which are called Panch Gaud and Panch Saraswat. So they divided the whole Service into two parts, one having a domicile in England and another having a domicile in India. Two Brahmins of two castes : they met together—that is the beauty of our Hindu religion, and it is this that it fits in anywhere. Having made that distinction, they then went on to consider all the matters that were laid before them—in fact it was only one, as will be seen from the earlier part of their Report and the history given there I am not going to mention the rest but only one part of it, namely, the Macdonald Committee. They recommended that the inquiry should be into the case of all the Services and into all the reforms that have been introduced, and the adjustment of both ; there were three subjects, the Services, the Legislature, and the interaction between them, and all these were to be considered. Well, this was a large problem, or, popularly speaking, a large fish, and some would like at once to roast and fry the whole fish, and others would like to divide it into two parts and take each part and make it into a kind of pastry or some other thing—the Government chose that they should not take the whole problem at once, and they appointed this Lee Commission to take only one part, namely, the Services—not all the Services, only the head of that part. They want to cook each separately. One may not object to that, as a matter of opinion I may differ, but still there it is. So I am now confining myself to that part. Well, how about this Commission ?

I have praised them, I admit that they were very good men, I admit they worked conscientiously and in the best manner, but, as I said, defects crept in because of their being regarded as Brahmins, as they divided the Services into two parts, namely, those having, if you choose to call it, a non-Indian domicile or European domicile, and the other having an Indian domicile. These are two castes, not two races—I do not want to deal with the racial point at all. It is a caste business. Well, proceeding to that, they confined themselves to the All-India Services, and only incidentally mentioned the others. That is their way. First, there are the Brahmins, then the Khatriyas, then you get the Vaishyas, which is the ordinary serving class, and then the Sudras, the servants. They omit the Khatriyas, they omit the Vaishyas and for the present purposes also the Sudra class, and only deal with the Brahmin caste. In making these recommendations they came to the conclusion that in the first year there would be an increase of cost. Well speaking in round figures in the beginning the costs come to something like Rs. 96 lakhs, and then they go on until they increase to nearly Rs. 1½ crores, and then they begin a decline and then go back—I do not know whether they fall to zero—but I suppose it will go back to 96 lakhs. Where is the money to come from? They did not consider that question at all. With all due respect to this Commission, they never devoted their attention to finding out as to how the increase is to be provided for. That is one of the Brahmin's faults. Then the other thing is that they did not explore any part of the subject so as to find out whether reductions in any direction were possible. That I find was a great defect; and it is no use talking of a defect without supplying the remedy, because I am not a destructive critic, I am what you may call a constructive critic. So I went about to seek a remedy and I said, let us see. There is a schedule of what we used to call listed appointments, they are mentioned, and they are to be given only to members of the Indian Civil Service. Well I find that had these eminent Brahmins looked into that, they would have discovered that there were some fields from which this highest Service is, so to say, excluded, or rather what I say is that they should not be employed in those posts at all. There is a list given, I do not think I need give it, everybody is familiar with it. You will find the subject of Education not mentioned in that list. Similarly, commerce is not mentioned there; also finance is not mentioned there. Now we find the members of this highest Service employed in various posts, these highly-trained, most intelligent, carefully selected and nicely and most carefully brought up,—how are they employed in India? They do not confine themselves to their proper sphere, and so we find, one of these civil servants a very nice, a very able man, superintending a printing press. This I. C. S. gentleman was selected with great care, was brought up with great care, trained with great care, to industrial work and he is employed in looking after the printing press. I say this is bad. Then I find that another highly educated, most nicely brought up member of the Service is put on telegraph duty, post office duty. I think this is rather a bad thing to do. Even in the matter of finance, I suppose my Honourable Colleagues will agree with me, that finance is a technical subject and it requires a long preparation to attain eminence; so that in that department there should be what are called chartered accountants and people who have made it the business of their life to master all the details of it. We could employ one of them; what do we do?

We bring out these carefully selected I. C. S. gentlemen, then we give them a training in finance. First we put them on to district duties and let them acquire some knowledge of the country and then we carefully draft the most intelligent of them into the Finance Department, train them there and then bring them to the Secretariat here and they get more training and then they become Finance Members. There is nothing to be objected to, so far as I can see. Some of the best financiers in the world have been produced by Civil Service training in that way. The last I met, I suppose all of us remember, was Sir William Meyer, one of the greatest financiers. The reason is that these are carefully selected people and you can teach them almost anything you like. There is no trouble about it. But in spite of all that, I think that this is a branch for which the general public also train its people as chartered accountants, as financiers. I do not see why our highly trained Civil Servants should be put to this business of finance when we can get an expert financier ready made in the market. As a matter of fact, the Government of India themselves recognise it, and now we have our Finance Member, specially brought out from England, a very able person, a very good man and all the rest of it. Had this Lee Commission looked about this business and seen whether these highly trained persons are necessary or whether they can be spared, I think they would have found that there are a good number of places from which they could have been spared, and to that extent, the cadre could be reduced; and the expenditure in bringing them up and training them and other things might have been saved. So, that would be one source from which this additional cost could be met. They could have explored these things to secure more revenue or rather to husband the revenue which they already have. The Brahmins are notoriously extravagant and so are these people. But if you husband your resources and manage your gift and use it properly, you can make a decent living out of it. If you reduce the cadre and do not employ them on business not strictly assigned to them, then you would probably find more funds left than there would otherwise be. I did not mention one department and I wish to mention it now, and that is the judicial department. According to the schedule, the posts of District Judges and District Magistrates are reserved for the Civil Service. It might be that in those days when this Service was created, there was not a large class of pleaders. There was not a large class of what you call professional men; and in those days it was perhaps necessary to bring men and train them in the judicial department. But now the Bar has become overcrowded. I read an article in the "Times of India" which says that pleaders are increasing and litigation is going down. I suppose my Honourable Colleagues will agree that Indians practising at the Bar have a special ambition. They talk of having an Indian Bar, having Indian Inns of Court, and Benchers and all appliances of control. There is a Bill coming up I believe; at least it is talked about. Now, in Great Britain, the judiciary is entirely taken from people in the profession. Practising barristers rise to eminence, become King's Counsel and in course of time they occupy selected higher judicial appointments, also the lower judicial appointments, namely, County Court Judges and Magistrates. If we could, therefore, spare our Indian Civil Service from going into these judicial appointments, it would be a matter of very great importance and affect much saving. If

done well in any department of administration, it is in

the judicial department. I could give you illustrious names from Calcutta, and the United Provinces, illustrious names even from the Central Provinces, I think, and Madras, and so on. These people have filled honourable judicial positions with great distinction and some of them have retired with long titles. Therefore, I say now that the circumstances have changed, kindly take the judiciary also out of the sphere of the Civil Service. You can then reduce the cadre, and save the expenses of preparation, training, and all the rest of it, and in that way you save. You also save in another direction. Take them away from these technical posts, then these technical appointments will easily admit of being filled up, so to say, by a system of contract, just as we have got a Finance Member for five years on a certain pay. He goes away after that period and he does not claim pension. You then get another expert. The same is the case with the Department of Commerce. I do not mean to reflect at all on the Civil Service. They have done very well even as commercial men, but still I say that these are technical appointments and should go to the persons of the profession. Many of the minor departments can go to men in the profession and thus expenditure can be saved. Of course you will have to reduce the cadre, but that does not matter. The remaining persons will be very happy and we shall be very glad to give them all that they want. A discontented service is a great misfortune. I want that the Service should be thoroughly contented. In fact, I want each individual member of it to feel that he is very well looked after and he should not want to go out of India. I should like them to settle down here. I want to make their lives very happy. In that way you see that I am not unkind to them at all. In fact, I want to extend their sphere of action in another direction. In England, there is what is called a Parliamentary Secretariat. I suppose the time has come when we should have in India also a Parliamentary Secretariat, where these highly trained members will be highly useful. I thus provide for them another department in which they can be employed. So, I say there should be this exploration. Have you seen how a householder acts? I found I had two thread ceremonies and one marriage to do and it required so many thousand rupees, and I had not the money. I found that the best course was not to have a new coat but to go on with the old coat for one more year, not to buy a horse, but to go on with what I had. In the same way had the gentlemen of the Lee Commission done so and explored these things, this difficulty of 1½ crores would not have appeared so terrible as it appears now, and no new or additional taxation would be required. All that money would have been provided for by exploration of possible savings. Another defect which I found and which I have mentioned is their caste distinction. They have tried to introduce the caste distinction in the Services. They say that gentlemen of non-Indian domicile should be provided with passages and with convenience of doctors and for remitting money. Their reasons for making these distinctions are not convincing. Take the cadre as it is now or as it was three or four years ago (because lately we have taken to examining people for the Civil Service in India too). What was the state of things in the case of an Indian wishing to enter the higher Civil Service? He had to go to England, join some college, live a few years in England, and learn all the subjects he wanted to be examined in, and then he went through a very narrow door called competition, competitive examination. He, however, went there, or his father perhaps borrowed in some cases and in

other cases got money somehow and he sent his son to England. He had to maintain his son for four or five years in England to be trained there. Supposing he passed, then he had to be kept there for another few years to learn riding, to go about, see people and make acquaintances, learn English life, and so forth. Then you bring him out here and send him into some district as a supernumerary. He has no particular duty to perform but tries to get generally acquainted with the people and see the country, and so forth. All this is done as training and that is all right. Why should he receive less than a civil servant with a non-Indian domicile? It is a general rule that everybody likes to educate his son at least as well as he himself has been educated. That is a good idea and I accept it. Then, this Indian Civil Servant of the Indian domicile has got a son and generally he has many sons. He wants to bring them up in the same style as he was brought up. He was sent to England, so he has got to send his wife and his son to England. The wife and the son remain in England. The son attends the college and goes through the whole training. The necessity for him to send money to England is thus just the same as it is to the Indian Civil Service officer with an English domicile.

Now take the question of passage money. The Englishman must go Home. It is his own country and therefore he likes to go there. The climate of England suits him very well and he goes there to refresh his energy. This Englishman, when he goes to England, kills very many birds with one stone. He goes to his own country. That is very good. He sees his sons and looks after their education. That is also very good. Supposing he is a Judge, he goes and sees some of the Judge's Court. If he is an Engineer, then he goes to some Engineer's place just to refresh his memory and keep himself in contact with the latest ideas on the subject and be as proficient as he can possibly be. That is all right. But the same necessity arises in the case of the Indian Civil Servant of Indian domicile. He wants to go to England to see any of his people there. He has to pay the same passage money. If he is in a profession, he also goes to the places of his profession and tries to increase his knowledge and keep up to date. So, the cases of both these officials are practically the same. In the case of an officer of an Indian domicile, however, the difference is that he is not going to his own country but is taking himself away from his country. That is the disadvantage in his case. Anyhow, the necessity of going over there and spending some money and the inconvenience caused thereby are common to both of them. The third distinction that the Lee Commission have made is rather amusing to me. They say that the officers with a European domicile want themselves to be treated by a European doctor when ill. I said to myself that it was all right. But does not the Indian want to be treated by an Indian doctor? Personally I do not see why a European should object to be treated by an Indian doctor. When Indians go to England they have to have English doctors. The Commissioners may say that the ladies of these European officers might object. Well, the women are always conservative, whether they are Indian or European. It is a matter of sentiment. The Indian I. M. S. doctor is trained in the same college as the European I. M. S. doctor, he has been to England, and been very carefully examined, he has learnt all that medical science could teach, and then he comes out to India and diagnoses the diseases just as

well as any doctor with an English domicile can do. He prescribes the same medicines as are prescribed by European doctors. Supposing he prescribes quinine, I do not think it will lose its property because the doctor who has prescribed it is an Indian doctor. In other words, quinine cannot have one effect if prescribed by an English doctor with an English domicile and another effect if prescribed by an Indian doctor with an Indian domicile. Such a thing is unknown.

So, all these three reasons which have been advanced by the Lee Commission people do not appear to me to be conclusive. I have, therefore, in my amendment proposed that these distinctions should be abolished. Both the Indians and the Europeans are members of the highest Indian Service and in their case no distinction should be made between the allowances, remittance concessions and other things that may be given to the European members of the Service. Then, we go a little bit further and we see.....

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member) : May I be permitted, Sir, to ask the Honourable Member where is that amendment that he is speaking of ?

THE HONOURABLE MR. G. S. KHAPARDE : The reply is that this amendment is to be found in clause (a) of my amendment where I say :

"That every-All-India Service, whether operating in the reserved or in the transferred field, should, so far as future recruits are concerned, be appointed and controlled by Local Governments."

I maintain that the members of the highest Civil Services are included in the All-India Services.

THE HONOURABLE THE PRESIDENT : The Honourable Member is travelling very far from his amendment. I have not interrupted him so far, but I must remind him with regret that he has already exceeded his time limit. I would ask the Honourable Member to bring his remarks to a close.

THE HONOURABLE MR. G. S. KHAPARDE : I bow to the decision and I will close my remarks very shortly. I only want to mention the other heads about which I want to speak. I object to the Lee Commission's Report on the ground that it is unbusinesslike. I do not know any other term. I believe 'unbusinesslike' is not an offensive term. Therefore, I object to their Report.

I want to proceed a little further and say that you should not make any distinction between the members of the All-India Services. It does not matter whether they are Europeans or Indians. I want to provide for that. The principle of my amendment is that all these distinctions should be done away with. All the allowances, such as travelling allowance, etc., should be given on the same scale to all of them, otherwise you cannot have a contented Service. All the existing rights of the members should be maintained.

For the future entrants, however, I would say that they will have to come in under one condition which will be laid down hereafter by the Government of India, I hope, in consultation with us. Anyhow, there will be some condition laid down and everybody will then come in under that one condition.

The third thing which I wish to bring in is that it can be said against my amendment that if you want to do away with caste distinction, why do you mention that the Indians must be 75 per cent. and the Europeans must be 25 per cent. The reply is that this distinction I have made has been declared by the 1917 declaration under which this Act of 1919 was enacted and in which the words are "increasing association." I thought then, and I still think so now, that the words ought to have been "increasing assimilation." But they would not agree to my word "assimilation" and they said that it ought to be "association." If the word was "assimilation" then I shall not talk of percentages at all. But since they talk of "association" and recommend in the case of some departments 50 and 50, in the case of others 25 and 75, etc., I have thought it proper to take a flat rate of 75 and 25.

Another thing on which I will lay particular stress is that you should give them increased pay and be done with them. But they say "No." If you give them an increase of Rs. 100 per mensem they will spend it, but I say "why not compel them to contribute towards the Provident Fund out of which they can borrow." In that case, the question of exchange will come up. Sometimes the exchange will be very low, then it will be profitable to give them in rupees. So, I say it is better to give them so much pay in sterling if you like, but give it to all entitled to it without making any distinctions. It will be easy to manage. It will not require an establishment to be kept up to administer the fund. Why not do it in this way? I forgot to mention about the Commissioners in Madras. Why cannot these appointments of Commissioners be abolished all over India? They do not appear to have any special business. However, that is a matter of small importance. It is only one of the ways of exploring how the cost can be reduced.

THE HONOURABLE THE PRESIDENT: My disinclination to stop the Honourable Member is as strong as ever, but my duty compels me to do so. I must really ask him to draw his remarks to a close.

THE HONOURABLE MR. G. S. KHAPARDE: Very well, Sir, with these words I will bring my remarks to a close.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, availing myself of the leave which you were good enough to give me yesterday, I propose to put before the House, necessarily in a modified form, the last part of my amendment as appearing in the Agenda, and the modification that I have, after consideration, adopted and submit for your consideration is that:

"For (a) (1) (b) the following words be substituted:

'That all recruitment in England for the various Services be for the present stopped'."

But I just want to say a few words in regard to what has fallen from my Honourable and esteemed friend the Honourable Mr. Khaparde. Like a good Brahmin he wants to see caste distinctions everywhere. That is the normal Brahmin frame of mind—white or dark. I would like to ask him if he would like to see fairly early marriage introduced among

THE HONOURABLE THE PRESIDENT: I hope the Honourable Member is not going to deal with the subject of early marriage.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: It arises out of the remarks of the Honourable Member and the Lee Recommendations as I will show in a minute. We have in these Recommendations a provision about certain concessions after five years of service. I appeal to all who know to say whether the marriage of young officers from England as a matter of fact takes place at the end of five years or not. A young man coming out at the age of 21 does not marry at the age of 26. I ask whether on the merits therefore it would not be an advantage to put the beginning of the concession period at the seventh or the eighth year of service, if there must be concessions, and not the fifth. Fully four or five lakhs of rupees would thus be saved to Indian revenue, and the desire to see early marriage promoted among the European members of the Services will be gratified. As it is they would be £1,500 or thereabout better off than the Indian Members at this stage. My friend has referred to other Brahminical matters, one of which may well be that arising out of image or idol worship. Those who know something of the worship of the Goddess Durga in Bengal know that she is ten-handed. The tradition according to the village grand dame is that when the eldest son, Ganesh the God of Wisdom, was ill-advised enough to seek matrimony, the Great Mother spread out ten hands, lest the daughter-in-law should come in and interfere with domestic arrangements and with these ten hands thrown out, she had spread out on a big plantain leaf a rich repast—her last square meal before the daughter-in-law's advent. When Ganesh happened to come back to get something he had forgotten and found the mother with ten hands, and ascertained the reason, he preferred to have the saree-dressed and vermilion painted plantain tree as his wife. And is that what is going to happen because under the Reforms Scheme a different set of things is likely to come and before the interfering power arises, the best that can be had out of the situation should be secured for and by the outgoing power. The ten hands of the powerful Goddess coming out to guard against the likely interference of the daughter-in-law would alarm even the God of Wisdom, nay the God of Valour who elected to remain single.

This brings me to the subject of my amendment. I brought out certain points yesterday in this concern and do not wish to labour those. I shall restrict my observations to day mainly to those I did not bring out yesterday. The reason why I want recruitment for the present to be stopped—I cannot expressly say for how long—has to a certain extent been brought out by my friend. If the position is already difficult for those who are actually in service, because of the small instalment of Reforms their successor's position will be more difficult when more reforms and more real powers are given, when more subjects are transferred and on the whole a more complicated state of things comes about, even if they had bargained for it. They should come with their eyes open, their minds absolutely clear, and know the terms upon and work for which they have to come to India. We were told that recruitment is an organised matter and cannot be interfered with lightly, and that should we stop recruitment even for a time, we are not likely to get the right kind of material when we reopen recruitment. What we have been getting for the last four years in England is certainly not the type of men that we want. We had not a sufficient number of candidates, whatever the reasons may be. We

have to take all we can get and supplement them by military recruits as we had to do in the near past. We do not get the pick of the men for reasons of uncertainty. I am fully convinced, when we have settled our domestic affairs absolutely and to the satisfaction of the parties concerned, there will be no difficulty in getting the type of men we want. Other countries and, as I showed yesterday, other departments of life in this country have no difficulty. May I have your leave and that of the House to refer to three short paragraphs in an article by Lord Winterton in a recent number of the *Asiatic Review*, where he deals with the question of recruitment elsewhere and the hardships of the services there and the possibilities. One extract is as follows :

That hard work, difficult conditions and indifferent pay do not of themselves act as a deterrent to the Civil Service overseas is proved by the case of Africa."

So I take it that conditions of service cannot be more attractive in Africa, East, West or South, than they are even in uncivilised India.

Then his Lordship says :

"I can scarcely conceive a harder life than that led, say, by a British member of the Sudan Civil Service in the Equatorial Provinces."

The last paragraph that I shall quote is as follows :

"It must be remembered how small are the entrances to a livelihood open to the successful University man in the present time of world-wide trade depression, and though no one wishes to see men go into the Indian Civil Services because there is nothing else for them to do, it is legitimate to emphasise the fact that the war has made life in every profession harder than easier."

Are we sure that middle class employment in England has been so satisfactorily settled that it will be difficult for us to get 45 British youths of the right type, or whatever number is fixed, which the Honourable the Home Member said elsewhere is annually absorbed by any mercantile firm in India.

I submit therefore, Sir, that there is absolutely no ground for apprehension that if, for a short time, recruitment is suspended for reasons that to us appear necessary, when the time comes for reopening recruitment, there will be any real difficulty. On the general question the mind of the House should be absolutely clear that till matters have settled down, as a result of the Reforms Inquiry Committee, till we know where we are, we have no need for taking what we can get nor right to let people come in and be disgruntled more than ever.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : General) : Sir, I rise to oppose both the amendments. I wish I could possibly accept the proposals enunciated by my friend Dr. Sarvadhikary. The arguments on which he has based his proposal for the total stoppage of all recruitment seem to my mind not only unconvincing, but not feasible, and will, if put into practice, cause disastrous consequences. My Honourable friend has not realised the other side of the question. His only ground, so far as I have been able to ascertain from his speech, is that the Reform inquiry is pending, and there may be a change in the constitution hereafter, and it would not be fair to

new recruits from that point of view, and it would be better to stop recruitment till conditions shape themselves properly. Now, Sir, a policy like that in my humble opinion will have an altogether demoralising effect. If you stop recruitment, it will demoralise, as I say, the educational policy in this way that it will interfere with the education of the university men who are now undergoing training. And please remember that the Civil Service course requires a number of years of training, men go in for that special and methodical training for years together; there are schools and colleges in which that training is imparted to certain classes of students with the idea of fitting them only for this important Service. And what is going to happen if you are going to stop the recruitment? Are you going to shut up all these universities and private classes where to a certain class of people who intend to go in for an Indian career this special training is being given? Will it not be difficult when you again start the process of recruitment, to obtain men to join the classes and schools to prepare for the studies? And what guarantee will there be for universities which impart this class of knowledge and prepare the students for competition in the Civil Service to incur fresh expenditure, what guarantee will they have that once this training is started it will not be interrupted again? It will altogether dislocate things. Further, it is very clear to my mind that, once you stop recruitment, it will be almost impossible to revive it. I feel confident that Honourable Members here who are now preaching the stoppage of recruitment will then stand up and be foremost to oppose the resumption of recruitment. It is not possible that if you now decide on the total stoppage of recruitment, that the Legislative Assembly is going to agree to resume it at a later date, and what would be the result? The result would be the total elimination of the British element from the Service, to which proposition no sane man, looking to the present circumstances of the country, can possibly agree. Does my Honourable friend seriously believe that once the recruitment is stopped, there will be no difficulty in reviving it? (*Dr. Sir Deva Prasad Sarvadhiary*: "I do.") Then he is very much mistaken; he has not appreciated the psychology of the people, and I speak with great caution, but I say this is the thin end of the wedge; this is the thin end of the wedge in this way, that it is the first step which you deliberately propose to take for the total elimination of the British element from the Service, and as such I distinctly and emphatically oppose it. I believe for the safety and well being of one-fifth of the human race, for the security of 315 millions of our people, it is necessary that we should have the British element in the Service, and we should always and permanently have a certain tangible proportion. I am convinced in this view because of what I see in the country. From the Southern parts of India to the most northern limits, we have now nothing but riots, we have nothing but communal differences, nothing but ravages, plundering, killing and maiming of human beings, and, in these circumstances, I do not think any reasonable and unprejudiced mind could possibly agree to a proposition of this character. There is another factor also to be considered. Have you realised what would be the effect of such a proposal, even if it was adopted? Do you realise that, if you stop recruitment altogether for a certain period, say five or ten years, in order to accelerate the local recruitment of the Indian element, what would be the result? After five years in the lower ranks of the Civil Service there will be a gap. You may fill up the top of the gap by

promoting juniors ; how are you going to fill up the gap in the junior ranks ? Where are you going to get the men from ? My Honourable friend may say, we will take men from the Provincial Services. All right, we will take men from the Provincial Services and fill up the lower gap, but once that is done and you resume recruitment, what are you going to do with these men who have been put from the Provincial Services into this gap ? Are you going to kick them out ? Will not that cause discontent, and dislocate the work of the Service altogether ? Will you be satisfied with the poor and inadequate training and knowledge of these men ; will you prefer them to a highly cultured and equipped class of men ? I say to my mind the whole proposition is an altogether impracticable suggestion and could not possibly be adopted.

I will, with your permission, say a couple of words only with reference to my Honourable friend Mr. Khaparde's amendment. My Honourable friend Mr. Khaparde, like Oliver Twist, always wants something more. If he gets something, he says, no I am not satisfied, I must have something more

THE HONOURABLE MR. G. S. KHAPARDE : Everybody, even the Civil Service, wants something more.

THE HONOURABLE SIR MANECKJI DADABHOY : But there is a limitation to the demand which we can only rationally make. Now what was the position of recruitment in 1920 ? In 1920 in the Indian Civil Service the recruitment of Indians was fixed at 33 per cent. It was then agreed to raise it by $1\frac{1}{2}$ per cent. annually to 48 per cent. in the year 1930. To-day, which is only 1924, it is nearly 39 per cent. and by the Lee Commission's programme it is settled that the proportion should be 50 to 50 in the cadre of the Indian Civil Service, and after this has been attained, it should be continued until a cadre of 60 Indians to 40 Europeans is reached. Now I must say honestly, Sir, that when I first read the Lee Report this came upon me as a great surprise. I never expected that the Lee Commission would go to this extent and fix a cadre of 60 Indians to 40 Europeans. I do not look without some apprehension and perfect equanimity on this proposal. I hope everything will turn out all right. The promise and pledge of the British Parliament were of an increasing association of Indians in the Services, but it was then distinctly stated that Indians will have to prove their fitness and the Judges of the fitness would be the British Parliament. Here to-day the Lee Commission Report has gone far in advance of the Preamble of the Government of India Act and of Mr. Montagu's scheme and proposals. I think we are very lucky, very fortunate in having this generous proportion given to us. I think we ought to be reasonably satisfied with what is given to us, and during the time when we are attaining this proportion let us show our fitness for administrative work ; let us prove our ability and merit and then in the fulness of time ask for a gradual increase in the numbers. I think my Honourable friend will see the propriety of my remarks. (*The Honourable Mr. G. S. Khaparde* : "I do not.") There are some people who can never see things in their correct perspective. There are some people who are blind to other views except to their own and who do not know and can never realise what is good for them. We cannot help such people, let them abide by the consequences. In my opinion the arrangement which has been arrived at both in the Indian Civil Service and the cadres of the Indian

Police and the Indian Forest Service seems to be just and reasonable and no sane person can quarrel with it. For these reasons, Sir, I cannot see my way to supporting either of these two amendments.

THE HONOURABLE MR. J. P. THOMPSON (Political Secretary): On behalf of the Government of India, Sir, I join in the opposition to both these amendments. It is always a pleasure to hear the Honourable Mr. Khaparde speak and to open the proceedings with a speech from him is rather like getting up on a bright morning after months of mist and rain. The issues before the House, which are raised by his speech, by his amendment and by that moved by Sir Deva Prasad Sarvadhikary, are perfectly clear. The first of them is the demand for further provincialisation. Further provincialisation can be effected by delegation of powers under the Government of India Act. The question that we have to decide is whether we, as a House, should recommend to the Government of India to continue the process further. There are two aspects of this question, first the constitutional and, secondly, the practical. My Honourable friend, the Leader of the House, yesterday explained to us in very lucid and forcible terms the constitutional position. He pointed out that the same logic which makes it necessary to transfer the control of the Services working in the transferred fields to the Local Governments makes it necessary for the Secretary of State to retain control over the All-India Services working in the reserved fields. So long as he retains responsibility, he must retain control. The position is put very clearly in the note by Professor Coupland, which is printed at pages 116 to 123 of the Report of the Royal Commission on the Superior Civil Services in India. Let me read to the House what he says about the constitutional position. He is quoting at the outset from the first reforms despatch of the Government of India in paragraph 10 of his note, page 119 :

"As regards the All-India Services, 'we consider that recruitment, whether in England or in India, should be according to the methods laid down by the Secretary of State, and that all persons recruited should be appointed by that authority.' These proposals were accepted by the Division of Functions Committee and the Secretary of State. They were embodied in the Act in sections 96-B, 96-C and 97 to 100 inclusive. And in the Memorandum he laid before Parliament by way of explanation of the Bill, the Secretary of State declared, in particular, that 'members of All-India Services will continue as at present to be appointed by the Secretary of State in Council, and the conditions of their service will be regulated by the same authority, which alone will have power to dismiss them'."

He goes on :

"This decision was dictated by the second of the two cardinal principles of the Reforms. If the one principle was to make Ministers and Legislative Councils responsible in the fullest practical degree for the good government of the transferred field, the other principle was that the Secretary of State and Parliament must remain no less fully responsible for the good government of the reserved field. It was never intended that this reserved responsibility should be diminished or delegated by degrees. The only change contemplated was the single change involved in the transfer, when the time should be ripe, of a subject or subjects in the first instance reserved. As long as such subjects should be reserved, the responsibility of Parliament with regard to them was to remain complete. It follows that the Secretary of State must continue to control the All-India Services operating in the reserved field. Only through the Secretary of State can Parliament's responsibility be fulfilled; it cannot be fulfilled through any other agency if responsible government is to be interpreted and practised in accordance, not merely with constitutional forms, but

with the well-established lessons of political experience. And the Secretary of State on his part can only discharge this duty if he controls the Services concerned."

That, Sir, is a very clear statement of what has all along been intended and it would, I think, obviously be a breach of these intentions if we were now to transfer control of the All-India Services which are operating in the reserved fields to the Local Governments.

I now come to the practical aspect of the question. There seems to be an idea that the new conditions proposed will in some way work hardly on the Indian members of the Service. Let us just examine that idea. The Indian members of the Service who now draw overseas pay will continue to draw it. They will obtain the remittance privileges if they have a wife and family in England. That, Honourable Members will recollect, is in accordance with the principle which is embodied in the Government of India Act in regard to the pay of members of the Council of India. An Englishman serving on the Council of India is paid at the rate of £1,200 a year. An Indian Member of that Council draws in addition an allowance of £600 a year as a subsistence allowance on the ground that he is residing outside his own country.

Now I come to the question of passage concessions. I understand these concessions also will be extended to Indian members of the Civil Service drawing overseas allowance now. My Honourable friend Mr. Crerar will correct me if I am wrong in making this statement.

The second practical aspect that I wish to put before the House is one that has been emphasised by many speakers. The speakers have been divided, apparently sharply, into two different schools of thought on this point. That point is that the stoppage of recruitment is going to affect the prospects of recruitment, should it be necessary again to revive it. That comes up in connection with the provincialisation proposals and from the point of view of abandoning the Secretary of State as the recruiter. I believe—and many Honourable Members of this House have expressed their concurrence—that the Secretary of State is the only authority which can recruit for the All-India Services men of the right stamp. The Honourable Sir Deva Prasad Sarvadhikary disagrees. It seems to me, Sir, that the point is quite apparent that once you stop recruiting you cannot resume it on advantageous terms. If you stop recruiting, you break a tradition. You have got to re-create it. Men of the right stamp will not come forward until you have re-created that tradition. May I put this aspect in another way? Who would join the Club which has once closed its doors?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Even for spring cleaning!

THE HONOURABLE MR. J. P. THOMPSON : The Honourable Member proposes to close the doors much longer than for spring cleaning. What I do say, in spite of Sir Deva Prasad Sarvadhikary's opposition, is that, if we attempt to recruit for the All-India administrative Services—it may be different for the technical Services—through the Local Governments, we shall only get the wastage of England. We shall not get men of the stamp we desire.

Thirdly, Sir, this is a matter in which the Government of India and we in the Central Legislatures are greatly interested. The Government of India draw from the Provincial cadres of the All-India Services the officers which they need for their own secretariat and for other appointments under their own control. The convenience of the Legislatures depends, to some extent at any rate, on the efficiency of the Government of India Secretariat. Is it right, is it reasonable, that the Government of India and the Central Legislatures in this respect should be at the mercy of provincial standards?

I now pass on, Sir, to the question which has been raised by the second part of the Honourable Mr. Khaparde's amendment. He proposes that recruitment should be so arranged that at the end of ten years there shall be left in the service of India a residuum of 25 per cent. of British officers.

THE HONOURABLE MR. G. S. KHAPARDE: I did not urge that point here, anyhow. I have it in my amendment, but I did not urge it here.

THE HONOURABLE SIR MANECKJI DADABHOY: Does my Honourable friend propose to abandon that part of his amendment?

THE HONOURABLE MR. G. S. KHAPARDE: If I did not urge a ground, it is supposed to be given up.

THE HONOURABLE THE PRESIDENT: I think the House is entitled to have a clear indication on this point. Do I understand that the Honourable Member wants to withdraw sub-clause (b) of his amendment?

THE HONOURABLE MR. G. S. KHAPARDE: I would withdraw the words "not exceeding ten years". I withdraw those words because I did not urge this proposition here.

THE HONOURABLE MR. J. P. THOMPSON: Then the position is, I take it, that the Honourable Member requires that we shall work up to a percentage of 25 of British officers in the Services after some wholly indeterminate period of years. Is that the case?

THE HONOURABLE MR. G. S. KHAPARDE: I believe the expression used is "at the earliest possible moment".

THE HONOURABLE THE PRESIDENT: I must point out that the amendment, as it stands, is before the House. If any words are to be removed, it can only be by process of amendment. Pending their removal, the Honourable Mr. Thompson is quite justified in commenting upon any words contained in the amendment.

THE HONOURABLE MR. J. P. THOMPSON: I think, as the Honourable Member is not going to withdraw them, it will be as well for me to make some comments on this proposal just in order to show the House how difficult these problems of recruitment and percentages are.

The Honourable Member proposes that we should work up to a percentage of 25 after a period of ten years. Let me give the House some figures. In paragraph 6 of the Report it is shown that there are at present 1,290 members in the Indian Civil Service. Of these, 165 are Indians. That leaves

1,125 Europeans. Now what we call in recruitment cases the casualty rate, that is to say, the average number of losses by retirement and death which may be expected every year is, I believe, 4·19 per cent. Let us put it at 5 per cent. That means to say that in ten years' time we should have got rid of 50 per cent. of the Europeans now in the Service. That would bring down the number to 560, so that even if there is no European recruitment for the next ten years, we shall still have at the end of that period not less than 43 per cent. of British officers in the Indian Civil Service in India. I thought it possible that the Honourable Member was going to unfold some scheme for offering particularly liberal terms in order to induce men to retire ! That would I fear prove very expensive, but if he is unable to stimulate retirement, the only other way of bringing about what he desires is to stimulate the other kind of casualties. I hope he will provide us with some very simple and painless method. All he will have to do is to get rid of about 24 members of the Indian Civil Service each year, over and above the normal losses from deaths and retirement.

I now, Sir, come to the larger questions. The question of the rate of Indianisation and the complementary question of the need for a British element are, of course, largely matters of opinion. I know of no exact method of determining the percentage of Europeans in the Government of India, in the administration of India, which will give us the best results. But Sir Deva Prasad Sarvadhikary whose proposal would amount in reality to an entire stoppage of European recruitment for India raises the whole question of the need for British officers in this country. Now, this is a subject, Sir, on which it is easy to strike sparks, and I intend to strike none. But the need is a need which is based on facts deep-seated in human nature, and if Honourable Members have studied the works of those who have written on this question, which is after all largely a question of the effect of climate on civilization, they will have realised that this question is in reality a question for India of insurance, and it is simply and solely from the point of view of the advantage to India that it is admissible to discuss it. Just as every clime has its own fauna and its own flora, so every clime produces its own human character. England and France are separated by less than 30 miles of water, hardly more than the breadth of some Indian rivers in flood time, and yet look at the difference between the characters of the English and the French. It used to be a commonplace among Indians in India when the French bulked more largely in India than they do now to contract the characters of the British and of the French. Their comments were not always, I regret to say, to the advantage of the Englishman, but it was we who stood and the French who fell. Character, after all, is destiny. The main question for us to decide is whether India wants, whether India needs the British. I think there is hardly a man here who would seriously contest that India does want, and probaby will always want, British soldiers and British administrators. Let us consider for a moment what the peculiar features are which make this desirable. It is not very difficult to explain. The only consideration is the dangers to which this country is exposed. Look at the map, the long coast line, the exposed ports, the frailty of sea-borne commerce. Then the long land frontier, with its many openings into the fold all safely closed now. And without—we can hear even

now the howling—just of the mountain-winds. And within—the daily telegram are daily reminders, they will not let us forget it. Some Honourable Member may seek to minimise the danger, and this is not the only one; but as for this Hindu-Moslem business let me see if I can put it in a new light to some Honourable Members. To what is due this growing bitterness? To my mind it is the Nemesis of religion profaned. Religious feelings have been stirred up, not to turn the people from evil and to incline them towards good, but to rouse up hatred for political ends. The hatred is recoiling on the heads of those who roused it and the people have become a prey. What is the remedy? Each man's conscience can find it. Teach religion because it is good, because it is right, and not because it will lead you to pomp, popularity and power,—the single aim, the single eye, sincerity of heart and a grand tolerance. If those who are inaugurating this new campaign for Hindu-Moslem unity will bear that in mind, a blessing will rest on their labours. Otherwise once more will it be written :

“Welcome light

Dawns in the East but dawns to disappear,
And mock us with a day that ripens not
Into the perfect morning.”

Sir, I have been led to speak warmly on a subject on which I feel deeply. The point from which I started was the need for British assistance in this country, and the view that this was not the time to attempt drastic reductions. After all what we are now asked to approve is a transitional measure. Things may be brighter in 1929 when it is bound to come under review. The Royal Commission have weighed the question from all points of view. There was evidence before them of many schools of thought, and after weighing it they have come to certain conclusions. And I suggest that this House cannot do better than endorse and accept those conclusions. But though I am convinced that these proposals of the Commission are as good as we shall get from any other body, yet at the same time I recognise that the decision as to whether these proposals are going to effect the end at which they are aimed rests, not with this House, not with the Government of India, not even with the Secretary of State; it rests with the youth of England, and unless a change comes over their attitude, we shall not get men of the stamp we desire. If that is so, the vanity of human forecasts may defeat us yet, and the Honourable Sir Deva Prasad may some day have the satisfaction of feeling that, though he was defeated on his amendment to-day, yet after all destiny was on his side.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : I want no satisfaction like that.

THE HONOURABLE MR. J. P. THOMPSON : I fear the Honourable Member might perhaps not regard it as a satisfaction if that time ever came, and that the thought might come to him not as a healing balm, but as wormwood and as gall.

THE HONOURABLE THE PRESIDENT : If the Council wishes to wind up this debate before the adjournment, we should, I think, proceed at once to a decision on the motion now before it. Otherwise the debate will be continued this afternoon.

THE HONOURABLE SIR NARASIMHA SARMA (Member for the Department of Education, Health and Lands) : Sir, I shall deal first with the amendment moved by the Honourable Sir Deva Prasad Sarvadhikary. I realise that almost all that can be said on this difficult question has been said already on both sides of the House ; but I feel it my duty to show to the House that, whatever may be the difference of view on the question of principle, the proposition that he is urging upon the Government of India is not in any way a practicable proposition so far as the amendment goes. We shall have to treat this amendment with the very greatest respect possible because this is a view that has been urged upon the Government by highly esteemed members of both the Houses. The Honourable Sir Sivaswamy Aiyer, Sir Chimanlal Setalvad, Sir Deva Prasad Sarvadhikary, not to mention numerous other names, and a large body of Indian public opinion in the country have been pressing upon the Government of India that a part of the solution of this problem might be reached if, for the present at any rate, recruitment in England could be stopped for the All-India Services. The Honourable Mr. Crerar, the Honourable Sir Alexander Muddiman and others have given very cogent reasons showing that that is not a practical course, and that it would defeat the purpose which the Government of India have in view. I would urge one other consideration, and that is this. Honourable Members ask that the British recruitment should be stopped for the present. "For the present" is rather a vague term. It has been defined, more particularly in the other House, and I think in the terms of the original amendment, as being confined to the period by which the future constitution of the Government of India can be settled. To take up a more easy answer, when in the Public Works Department, on account of the then existing ratio of British and Indian officers in the service, it was resolved to alter the ratio of recruitment, and to stop in future the recruitment of Indians in England, it was found impossible to stop recruitment at once, or within a short period of years, for the simple reason that there were a number of young men qualifying themselves for these services with a view to enter the field of competition, and it was undesirable, it would have been unjust, to stop recruitment without adequate notice. It may be said, for the same reason, that a number of youths in England, Britishers and Indians, have been training themselves with an eye to an Indian career, and it is but right that the Government of India should do nothing to prevent these youths, British and Indian, now being trained in England, from competing for the Indian Civil Service and for other All-India Services. Therefore, as a practical proposition, on this simple ground of justice and expediency, I think it would not be desirable, it would not be just, to carry out a proposition of this kind. But I shall not rest my contention on that simple ground. The question we will be faced with is this. Even under a reformed system, which we can anticipate, are we going to have British youth in our Civil Service or not ? That is the essentially concrete proposition we shall have to face, and there is no use shirking it. In my conception of the Empire, although I can give no adequate answer having regard to the attitude of some parts of the Empire, in my conception of the Empire, there should be nothing done to prevent all members of the Empire from competing on equal terms for service in India or elsewhere. And if that is to be our conception, and that has been the conception of the Indian National Congress which has been asking for fair and free and equal treatment by means of simultaneous examinations, I do not

think it would be right on our part to say that recruitment of British youths should be stopped artificially. I quite grant that these principles are subject to exceptions, and we have in the Lee Report for various considerations an exception made. I am not now arguing that question, but I say that as Indians, hoping to live in an Empire where we expect equality of treatment, it would be wrong on our part to take the narrow view and to say that recruitment should be stopped. What we should urge is fair and equal and free play. It has been said then that something has to be done to prevent great inequality

1 P.M. ty between the members of the two communities in order that there may not be friction between the two constituent parts of the various services or the Services and the Ministers. And that is one of the reasons urged for the stoppage of recruitment. Another reason, and it is a very fair reason, that is urged is that the British youth should not be tempted to come to India only to find that a little later they may be confronted with conditions which at present do not exist. I will take the first. It is to meet the first condition that the Lee Commission have increased the ratio from 37½ to 60. With regard to the second point, namely, that it is unfair to the British youth to bring them out here in this unsettled state of affairs, I join issue. You may quarrel. you may not agree with some of the details of the recommendations. That is a point which is not in issue now. But young men in England who are competing for these Services are not children. They know the conditions they have to face. They are coming or have to come here to help us to achieve self-government. They are going to come here to help us to evolve a constitution which will place us on a solid basis. And therefore I do not see why there should be this undue sympathy for British youth, when we have told them clearly, when the Government of India of 1919 has told them clearly, that changes are possible and probable in the near or distant future, according to the conditions of things, which would and must alter the policy of Government and the basis on which the British youth will have to work in conjunction with the new constitution that may be set up. Therefore to this extent, Indian politicians are correct, namely, that the British youth who come here must come with their eyes open and knowing the possibility of changes to which they will have to adapt themselves. That notice has already been given and is being given, and therefore it is not for us to say, it is not for the Government of India to say, that recruitment should be stopped for the benefit of Britishers who will have to come with their eyes open. But, Sir, I think Honourable Members will on reflection find that the anxiety of the Secretary of State, the anxiety of the Government of India and the anxiety of the Lee Commission in making these recommendations is to secure British recruits of the right type for service in India. I know it has been said that the country is ready to treat existing members of the Services fairly in the matter of emoluments. But I may assure you that some of the recommendations had this distinct object, and correctly too, that they should attract British recruits for the Government of India, and that was the anxiety which actuated partly the appointment of this Commission. Therefore we are not dealing with practical politics in urging upon the Government of India—and I know I shall be making myself unpopular in making this statement—when we ask them to stop recruitment immediately. I may inform Honourable Members that recruitment has been stopped on a competitive basis in the Indian Medical Service, for the simple reason that we have not been able to get recruits and

we have had to get in officers on special terms. And it is in order to prevent a similar breakdown of the competitive system for the other Services that many of these concessions have been devised. I hope therefore that Honourable Members will see that there is not much use in urging this part of their proposition.

Then, Sir, there is the proposition which has been very strongly pressed, namely, that the Services working in the reserved fields should be appointed by the Local Governments. I think the Honourable Mr. Khaparde will see that, although something can be said for his view, as the amendment stands at present there can be no All-India Service if it be left to each Local Government to make its own arrangements with regard to appointments and control. There cannot be such a thing as an All-India Service operating in the reserved fields so far as future recruits are concerned who we are told are to be appointed by Local Governments on a separate and distinct basis. The Honourable Mr. Khaparde may say that Local Governments may work possibly under a scheme evolved by the Government of India or the Secretary of State. I am reading into his amendment something which is not there; but even then what does it come to? It means really the control of the reserved fields of activity by the people rather than control by Parliament in England. If you analyse it it comes to that, and I have myself very great sympathy with the progress of reform; but if you acutely analyse it there does not seem to be much from the constitutional point of view in favour of the control of the Local Governments. As the constitution stands the Local Governments and the Government of India are subject to the superintendence, direction and control of the Secretary of State.

THE HONOURABLE MR. G. S. KHAPARDE: I think it might save time if I intervene. I did not have time to expound the point in making my speech. I will only indicate that all these young people will be selected by the Secretary of State by competition and the Local Governments can pick from out of them the men they want. That is what I meant.

THE HONOURABLE SIR NARASIMHA SARMA: I may say if the Secretary of State is to make the appointments that is practically what is occurring now. The young men are given a choice in the first instance, subject to some sort of superintendence by the Government. They are then sent to the Local Governments and are hardly ever removed from there. It is only in cases where officers feel that they have been unjustly dealt with that there is an appeal to the Government of India and the Secretary of State. In other respects the Local Governments are practically supreme in respect of the All-India Services. (*The Honourable Mr. G. S. Khaparde*: "That is what I want.") If that is what you want, it is already there. (*The Honourable Mr. G. S. Khaparde*: "That is the point. It is not there.") I was thinking that what was wanted is that control, with regard to the power of making appointments and the final right of dismissal, etc., should rest with the Governments in India if the Local Governments are not satisfied with the conduct of officers under them. Well the point I would suggest for the consideration of the House on this subject is, that even if the final authority be the Government of India under the present constitution it can only be subject to the control of the Secretary of State. We will have to obey the behest of the Secretary of State unless there is a devolution of authority, and if he can do a thing whether he does it through

us or does it directly does not make much difference in substance. And I hope therefore that it will be recognized that under the existing constitution the Lee Commission were not wrong in recommending what was technically correct, namely, that where the Indian Legislatures are paramount, the Services should be subject to the Legislatures, and where the British Parliament is supreme, the Services should be subject to the control and appointment of the authority who is directly responsible to the British Parliament. There is a good deal of truth in the philosophical and calm statement of facts by the Honourable Mr. Thompson and the importance he attaches to the influence of climate. We must realize that what has made the British administration of India so successful is the vantage point from which they have been able to view the situation and the characteristics which they have been able to di play in practical matters. Luckily for India we possess every type of climate, and therefore it will not be impossible for India to evolve the types of character necessary for the proper self-government of India if only we set about in the right manner and in the right direction. What is wanted is education on sound lines; the development of character has been the aim of the educational policy of our British friends, and I hope that with their assistance the country will achieve that measure of progress in the near future and to a time when they can look forward safely to administering their own affairs.

THE HONOURABLE MR. G. S. KHAPARDE: The Honourable Member contemplates the British colonisation of a part of India?

THE HONOURABLE SIR NARASIMHA SARMA: I do not follow that quite, but we are now practically on a different question, and there is not the slightest doubt that, as far as we can foresee at present, British recruits would be necessary for some time, and the evolution that has been suggested by the Lee Commission is calculated to achieve that end. And let me therefore express the hope that British youth will rise to the occasion and see in India a fair field for their activities in helping their Indian brethren to stand firm and self-reliant and in enabling them to take charge of their affairs in the fulness of time when self-government becomes not merely a possibility but a reality. Meanwhile I submit, Sir, that all that has to be done in a transitional stage must be done, and the remarks which have been made with regard to the Indianisation of the Services and the other points raised will receive the very careful and sympathetic attention of the Government.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: May I be permitted a short word of personal explanation? My friend, the Honourable Sir Narasimha Sarma, has complained of vagueness in regard to the expression "for the present" in my amendment. What I intended and made clear in my speech was that, "pending action on the Reforms Committee's Report" recruitment should be suspended. But owing to the exigencies of circumstances those qualifying words which had been attached to the amendment of yesterday having been defeated, I could not bring in those very words and that is why I introduce the words "for the present."

THE HONOURABLE THE PRESIDENT: I think it is unfortunate that the Honourable Member has made this personal explanation, because it suggests that the whole of his speech was out of order. The House decided yesterday that there should be no such delay as apparently he has in mind, and had I under-

stood that the words "for the present" were meant in the sense now indicated. I would not have allowed him to move his amendment.

I will now put the amendment of the Honourable Mr. Khaparde in two parts. I will put sub-clause (a) first and then sub clause (b), and before putting (b) I will put the amendment of the Honourable Sir Deva Prasad Sarvadhikary to the Honourable Mr. Khaparde's amendment. In the original Resolution sub-clause (a) runs :

"That while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields, the following Services operating in transferred fields, namely, the Indian Educational Service, the Indian Agricultural Service, the Indian Veterinary Service, the Buildings and Roads Branch of the Indian Service of Engineers in those provinces in which the two branches have been separated, and the Indian Forest Service in Bombay and Burma, should so far as future recruits are concerned be appointed and controlled by Local Governments."

To this an amendment has been moved in the following terms :

"That every All-India Service, whether operating in the reserved or in the transferred field, should so far as future recruits are concerned, be appointed and controlled by Local Governments."

The question I have to put is that that amendment be made.

The motion was negatived.

Sub-clause (b) of the original Resolution runs :

"That recruitment of Indians for the Services in reserved fields should be increased as recommended."

To this an amendment has been moved by the Honourable Mr. Khaparde as follows :

"That recruitment for the All-India Services be so conducted as to produce at the earliest possible moment not exceeding ten years a proportion of Indians to Europeans in each such service in the ratio of 75 to 25 per cent."

To this amendment a further amendment has been moved by the Honourable Sir Deva Prasad Sarvadhikary :

"That for the proposed amendment the following words be substituted :

'that all recruitment in England for the various services be for the present stopped'."

The question I have to put is that the amendment of the Honourable Sir Deva Prasad Sarvadhikary be made.

The motion was negatived.

I now put the amendment of the Honourable Mr. Khaparde :

"That recruitment for the All-India Services be so conducted as to produce at the earliest possible moment not exceeding ten years a proportion of Indians to Europeans in each such service in the ratio of 75 to 25 per cent."

The motion was negatived.

The next amendment on the paper is to clause (2) of the original Resolution and stands in the name of the Honourable Mr. Vadamurti. I do not think that the Honourable Member will.....

THE HONOURABLE MR. S. VEDAMURTI : I can move it in five minutes

THE HONOURABLE THE PRESIDENT : Clause (2) of the Honourable Mr. Crerar's Resolution runs as follows :

"That pay, passage concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended."

To this the Honourable Mr. Vedamurti moves an amendment :

"That for the words 'approximately on the scale recommended' the following words be substituted :

'on the same terms and at the same rates as at present but that the Burma allowance should be discontinued'."

THE HONOURABLE MR. S. VEDAMURTI (Burma : General) : Sir, I do not want to detain the House at this stage, because I know what the fate of my amendment is going to be. It will certainly go the way that all the previous non-official Resolutions have gone, but I feel it my duty to move it. As regards the first clause of my amendment, Honourable Members of this House who are of my own way of thinking regard that, in the absence of any evidence before us, they are not willing to acquiesce in the recommendations of the Commission in the matter of pay, passage concessions and pensions. If we are convinced of any hardships suffered by the Superior Services, which at present we are not, we are perfectly willing to recommend relief.

It is on the clause of my amendment regarding the discontinuance of the Burma allowance that I should like to say a word or two. The Commission's recommendation is that, excepting the Indian Civil Service, the basic pay of the other All-India Services should be increased. All the Services are gaining under these recommendations increased emoluments in overseas allowance, exchange, passage and pension. I, for my part, do not understand why a special allowance, known as the "Burma allowance", an antiquated allowance, perhaps that was given when Burma was not opened up, should be perpetuated. Owing to these recommendations, Burma has to bear an additional burden of Rs. 10 lakhs a year, a burden larger than that of any of the Provinces, excepting the United Provinces. Is it fair, I ask, that Burma should bear a burden larger than Madras, Bombay or Bengal, which are advanced Provinces? I ask why the tax-payer in Burma should bear an additional burden in the shape of "Burma allowance." The Commission was perhaps influenced by the presence of Sir Reginald Craddock, the late Lieutenant-Governor of Burma. Increased emoluments, passage and other concessions are given on the ground of the high cost of living, and yet another allowance on the same ground of the high cost of living is granted in the case of the Superior Services serving in Burma. If granted, it would only show that the interests of the tax-payer are being sacrificed to those of the Services. In one breath it is said that Burma is a backward Province needing development in the matter of education, university and technical, for which sufficient money has to be spent but no money is available, while in another breath, you want to impose an additional burden—a burden on a backward Province, a burden greater than that of the other Provinces. If Burma had not a University of its own

till four years ago ; if the number of Burman graduates of the Calcutta University were only 400 up to the year 1920 ; if Burma has not even to-day a Medical College and an Engineering College for the training of her sons ; if Burma had an Agricultural College opened only the other day ; if Burma is backward in respect of university, technical and professional education, whose fault is it ? Is it not the fault of the Government, who had been pleading that they had no money ? Still, you are going to saddle the Province with a greater burden greater than the far advanced Provinces of India. I ask, Sir, is it fair, is it just ? In these circumstances, I exhort this House to accept my amendment, which is in the following terms :

"That in clause (2) for the words 'approximately on the scale recommended' the words 'on the same terms and at the same rates as at present' be substituted, and at the end of clause (2) the words 'but that the Burma allowance should be discontinued,' be added.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to oppose the amendment which was moved before the adjournment by the Honourable Mr. Vedamurti. I shall not detain the House for long, as I have noticed very little, if any, want of sympathy on the part of Members of this House with the financial proposals of the Commission. The Honourable Member himself did not develop his theme to any length except with regard to Burma. But the amendment, as it is worded, raises a clear issue. And, in case there are any Members of the House who are still honestly unconvinced of the justification of the proposals of the Commission on behalf of the Services, and also in view of the fact that certain questions on financial points have been put by various Members in the course of the debate, I wish to answer those questions and to re-emphasise some of the points in connection with these financial recommendations, though I can scarcely hope after four or five days debate on this subject to throw much new light or to add much fresh information. As I said, the amendment puts this matter as a clear issue, and I am very glad that it does so, entirely removed from the consideration of constitutional questions. The great mass of Government servants in this country are not politicians, though some of us occasionally, somewhat to our surprise, find ourselves figuring in the rôle of public speakers. The great body of Government servants are then to carry out policies in the framing of which they have no concern and the question of their remuneration should be considered entirely on its merits.

The Honourable Mr. Crerar pointed out that what is being claimed on behalf of the Services is not that they should be compensated for the whole of the increased rise in prices before the war and during the war. What is claimed is merely that they should be given a remuneration sufficient to keep them free from financial embarrassment and to ensure the flow of recruitment, on a reduced scale, to the Services of the quality which we have had in the past. Now, in my opinion, the claim put forward is overwhelming. The Finance Department is not usually accused of being generous, and if we find the Finance Department honestly supporting these recommendations, it is at any rate a "Bull" point in their favour. The claim is based on the following grounds :—Firstly, the admitted increase in prices, particularly for Europeans

in this country both before the war, during the war and since. Secondly, the inadequacy of the revisions which were made in 1919 and 1920 of the pay of the Superior Services and, thirdly, the known facts which constantly come to our notice of actual distress and financial embarrassment.

Now, first of all, with regard to the rise in prices. We all feel it, but it is a little difficult to express in figures. We had, however, before the war, an elaborate inquiry into the rise in prices conducted by Dr. Datta and Mr. Finlay Shirras. Since the war, we have the Bombay index number which shows how the cost of living of Europeans has increased. I admit that prices in Bombay are not the same as elsewhere in India. But that index number is valuable as showing the relative increase in the cost of living among Europeans generally. If you consider the fact that the main items which have contributed to the increase in the cost of living of Europeans are the same for Europeans everywhere in India, you will see that that index number can be applied, within limits, to Europeans living elsewhere than in Bombay. I am referring particularly to the cost of education in England, which is now more than doubled; to the increased cost of living at Home apart from education for those who have got their wives and children there; to the increased cost of passages, which my Honourable friend opposite, Mr. Bell, can tell us about; to the increased cost of all imported stores which are naturally largely used by Europeans; and the great increase in customs duties. All these items are common to Europeans anywhere in India. Now, when the revision of pay of the Superior Services was taken in hand towards the close of 1919, the Bombay index number was 146, i.e., for October 1919, 100 being the basic number for July 1914, which represents pre-war prices. A year later that number had risen to 158, and the latest figure for July 1924 is 162. It is evident, therefore, that the 1919 revision was undertaken on a basis which was inadequate in view of the increase in prices since, and as the Honourable Mr. Crerar has pointed out, if the increase had been given on a Bonus system the cost to Government would have been very much higher.

The second point I wish to emphasize is that the whole atmosphere at the time of that recommendation was overclouded by the exchange situation. Both Government here and at Home believed at that time that a two-shilling rupee could be maintained. This has been emphasized by speeches made by the then Viceroy and the then Secretary of State; but I should like to add one extra proof. The Islington Commission recommended that exchange compensation should be done away with; but they recommended that a compensatory allowance should be given in its place. Now exchange compensation was done away with, but a compensatory allowance was not given. This fact is obscured in the case of officers on the time-scale, inasmuch as there was an increase in rupee pay. In the case of officers above the time-scale, however, the position is clear since the amount given at the revision of 1919-20 was Rs. 140 less than recommended by the Islington Commission. The maximum exchange compensation allowance was Rs. 138, so that there appears to have been a saving of Rs. 2 to the Finance Department.

I now come to the document which was mentioned by the Honourable Mr. Karandikar, which was an answer given apparently in the Bombay Legisla-

tive Council on the question of increase in cost of the Services after the various revisions. I am not surprised that the Honourable Mr. Karandikar has been misled by that document, as it is not at all easy to understand. I would point out, in the first place, that that document does not deal with the increased pay given to various Services. It deals with the cost of those Services at various dates, and that depends on the number in the service at the time and also on the number of officers on duty and on leave at various dates. Owing to the war the number on duty and the number on leave was completely at variance with ordinary standards. In the second place, as the Bombay Government themselves point out, the figures do not take account of the omission of exchange compensation allowance, and they show themselves that the apparent increase of 17 per cent. for the I. C. S. at the 1919 revision would be reduced to 10 per cent. if account were taken of the abolition of exchange compensation allowance. I do not wish to go into the document in any detail, but I would point out that in the very first item which refers to the Indian Civil Service, a first revision is referred to as in October 1914. There was no revision of I. C. S. pay in October 1914. What the document apparently refers to is the fact that when the whole body of Government servants was re-called to duty on the outbreak of the war—this was before time-scales were introduced—a large number of officers lower down in service found themselves on pay very much below what they would normally have drawn since their pay then depended on the actual appointments held, and a number of comparatively senior officers found themselves acting as Joint and Assistant Magistrates. Therefore, in October 1914, certain minimum rates of pay were guaranteed to officers in certain years of service as a temporary measure during the continuance of the embargo on foreign leave. That apparently is what is referred to as the revision of pay in October 1914. Anyhow, I think the House has heard sufficient to realise that this document has to be read with very considerable qualifications, and I think the House would probably prefer to hear from me what the Government of India's calculations are, for India as a whole and not for one Province only, of the revisions made in 1919-20. The average increase for most Services was between 20 and 30 per cent. In the case of the Indian Police it was higher, something over 30 per cent., and in the case of the Indian Civil Service about 10 per cent.

Coming now to the Lee Commission's proposals, I think the House is probably agreed that those proposals are on the moderate side. They represent after all a compromise. I should like again to give the percentages. If we take the main recommendations of the Commission, that is the additions to pay, remittance concession and concession in regard to passages, the increase recommended works out for the Indian Civil Service at 12 per cent., for other Services 16 per cent., and for the Police 21 per cent. These are the proposals which Government commend to the House. I scarcely think it necessary to elaborate a defence of them in any great detail. The Honourable Mr. Natesan mentioned a comparison with Colonial Civil Services. I have here a voluminous printed document in which that comparison has been worked out, but I do not propose at this stage to trouble the House with details. The result of an examination of that document goes to show that in recent years the Colonial Services, in comparison with India, have been much more generous especially with regard

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to such items as passages for wives and children. They are given practically uniformly now in all Colonial Services.

I should like to turn for a moment to the Honourable Mr. Vedamurti's remarks about the Burma allowance. The Honourable Member spoke of it as if it were some archaic survival from the days of Burma's Kings.

THE HONOURABLE MR. S. VEDAMURTI: I merely said it must have been introduced when Burma was not opened up.

THE HONOURABLE MR. A. C. McWATTERS: It was introduced in the year 1919.

THE HONOURABLE MR. S. VEDAMURTI: I have got the Civil List of 1910 in my hand in which the Burma allowance is mentioned. It rises from Rs. 75 to Rs. 150.

THE HONOURABLE MR. A. C. McWATTERS: I had better give the history of the main scheme for Burma allowances which is now in force. In 1909 a Committee was appointed by the Burma Government to go into this question. That Committee recommended certain scales. Their recommendations were referred to the Government of India, who, as the Islington Commission was about to be appointed, referred them to that Commission. That Commission reduced the scales slightly, but supported generally the views of the Burma Government. The Secretary of State sanctioned the scales for a period of ten years in 1919. They expire in 1929. The main point, however, is that since the Reforms the question of compensatory allowances is one entirely for Local Governments. It is within the power of the Government of Burma to grant those allowances or not, and the Honourable Member's plea should be addressed to them. So far as the officers of the Central Government are concerned, the Government of India are taking up, in connection with paragraph 92 of the Lee Commission's Report the question of house rents and compensatory allowances in expensive centres, which will include Rangoon.

I come now to the general cost of the Commission's recommendations, regarding which the Honourable Mr. Natesan made some pertinent queries. We may take the figures given by the Public Services Commission as approximately correct. They had in fact attached to them an officer of the Finance Department as a statistical expert and the calculations have been verified since. The figures given by them are approximately 98 lakhs, of which 26 lakhs falls upon the Central Government, and a sum of between 9 and 10 lakhs for each of the major Local Governments. The only one where the cost exceeds 10 lakhs is the United Provinces with ten lakhs and eighty thousand, and for the smaller Provinces the figure is less. But it is necessary to make some additions to these figures. They do not include, in the first instance, house rent concessions and medical attendance. For those it is obvious that it is practically impossible at the present time to form any very reliable estimate but relatively speaking they are not likely to constitute a very large figure. In the second place, we have to allow for the fact that the pensions of the Uncovenanted Services, the additional Rs. 1,000 which it is proposed to grant after 25 years' service, will be an increasing amount. In the first year it will be

1½ lakhs, and it will increase by that amount each year for 14 or 15 years. In the third place, we have to add a sum not exceeding 7 lakhs, if the Government of India's recommendation regarding the additions to pay above the time-scale for officers not drawing more than Rs. 3,000 is accepted. We also have to add some charge for the cost of the Public Services Commission. Now, on the other hand, we have several very important items to set off. The first is connected with exchange. As the Commission's proposals were worded, and also in the form in which they are recommended for acceptance by the Government of India, any advantage when exchange rises above 1s. 4d. comes to Government, and I would point out that if exchange were at its present level of 1-5½, the saving during the year would be 12½ lakhs. In the second place, we have to take account of the effect of Indianisation. This means, even if the basic pay of Indians remains untouched, and if Indianisation proceeds at the pace recommended in the Government Resolution, a progressive saving of something over 2 lakhs increasing by that amount each year, which the House will observe is considerably larger than the corresponding loss under the head of pensions, to which I referred just now, and the gain will continue for longer. In the third place, the proposals before the House contemplate the discontinuance of judicial pay for Indian Civil Service officers, that is, for those who will in the future hold such posts. This will only be a gradual saving, but it will, when it reaches its maximum, amount to a sum of Rs. 3 lakhs. In view of what I have said, it will be realised that, so far as the Provinces are concerned, the figures which I have given are maxima, and will be considerably reduced in course of time. So far as the Central Government is concerned, the position is not so simple because, if the Commission's recommendations are extended to officers on railways, as mentioned by the Honourable Mr. Natesan, there will be an extra charge of 18 lakhs. This, of course, is strictly a charge against Railways, and if railway finance is separated, it will be borne on the railway estimates. We have also to consider the possibility of passages being given to military officers. If this is done, there will be an increased charge of Rs. 12 to 15 lakhs. The Honourable Mr. Natesan referred to army pay, but that question is on a different footing. The quinquennial revision, which became due in July 1924, is being undertaken as a separate matter, and without any direct reference to the recommendations of the Royal Commission. The figures which I have mentioned are certainly not inconsiderable, but I think that if the House agrees that the relief which it is proposed to give is justified on its merits, there are not sufficient grounds for refusing it because of any question of financial stringency. So far as the current year is concerned, I have very little hesitation in saying that we can meet it. So far as the next year is concerned, I am not prepared at the present moment to produce a budget, and even the Honourable Mr. Karandikar's Committee, which he wished to report by the end of 1924, would have found some difficulty in recommending how the cost would be met during the next financial year before the budget or estimates are ready. I cannot do better than use the words of the Finance Member in another place, that we do not think these charges are unmanageable. That is all I have to say on the financial ground. Of course the amendment, if it were accepted, has implications which go much beyond finance. I would, in fact, do as much to destroy the traditions of the Services and that machinery of Government as proposals for total cessation of European recruitment.

THE HONOURABLE THE PRESIDENT: Clause (2) of the original Resolution runs:

"That pay, passage concessions and pensions be granted to the officers of the Superior Civil Services in India approximately on the scale recommended."

To which an amendment has been moved:

"That in place of the words 'approximately on the scale recommended,' the words 'on the same terms and at the same rates as at present, but that the Burma allowance be discontinued' be substituted."

The question I have to put is that that amendment be made.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: I now call upon the Honourable Mr. Yamin Khan to move his amendment that at the end of the Resolution the following clause be added; namely:

"4. That in any scheme of the Indianisation of the Superior Services that may finally be adopted, a provision be made that one-third of such appointments be reserved for Mussalmans in all Provinces except the Punjab and the North-West Frontier Province, and that as long as that proportion in each Service is not secured, Mussalmans should be recruited in larger numbers in order to bring their number to a third at an early date."

THE HONOURABLE MR. YAMIN KHAN (United Provinces West : Muham-
madan): Sir, I beg to move this amendment which stands in my name. Before speaking on the subject, I wish to say a few words to the Honourable House about my motives, that I have not got the slightest intention to encroach upon the rights of the other communities, but what I place before the House is what I think is the right and just claim of my community. My own family have got a tradition, not for a few years but for centuries, that we have enjoyed great confidence with the Hindu public, and we have absolutely kept ourselves aloof from any kind of communal questions. My family has been for many years standing between the Muhammadans and the Hindus on one side, and between the Government and the public on the other side. Whenever there was any disturbance or any kind of bad feeling existing between the communities, we came forward just to have those feelings of any kind removed and good understanding established. We have played the same part between the Government and the public for centuries. So I do not wish that any of my Hindu brethren, or the Government may construe my motives in this respect to be animated by only one object, and that object is that I wish that the bad feeling which exists at present between the communities on the one hand and between the Muslims and the Government on the other to be removed. This is my sole object in putting forward this amendment which is only a communal question at present.

Before going into other details I wish to let the Honourable House know the one precedent which has been established by a great administrator with the help of three nationalist Indians. I refer to the late Governor of the United Provinces, Sir Harcourt Butler. Of course the Government Benches as well as the people from my Province and perhaps from other Provinces too are well aware of the great administrative capacity of Sir Harcourt Butler and the wisdom with which he tackled such questions as these whenever they

cropped up in the masterful way he had in dealing with these problems. That was the underlying reason of his great popularity and great reputation as an administrator. Of the three Indian gentlemen to whom I have referred one was his Councillor and his name is well known to everybody, the Raja Sahib of Mahmudabad. The two others were his Ministers, Mr. Chintamani and Pandit Jagat Narain. And this communal question was settled by Sir Harcourt and these Indian gentlemen once for all and in a spirit which has never been in any way disputed. Everybody is perfectly satisfied with the scheme which he introduced and put into execution. This question in its acutest shape was prevailing previously in the United Provinces of Agra and Oudh, where the Moslem population is very small as compared with the non-Moslems. But it was always claimed by the Moslems of the U. P. that their claims were not based only on numerical strength, but also on their importance and on other grounds as well; and this claim has been conceded in the very able solution which was adopted, which was that out of every 12 appointments nine were filled by competitive examination, but the papers of the Moslems were collected separately and the three best Moslems were given appointments and six of the best non-Moslems. The remaining three appointments were reserved to be filled by nomination by the Governor, and with the aid of this power of nomination he was able to redress the grievances of any other communities who had not sufficient representation or were being excluded by the competitive examination. The result of this was that the acute feelings and grievances which had existed previously were removed and everybody, as regards this matter, seems to be quite contented. This was a remarkable solution of the problem, and in case Honourable Members do not remember reading in the papers of 1921-1922, I would draw their attention to the fact that at that time probably no Governor was more popular in the whole of India than Sir Harcourt Butler. The secret that underlay the great success of his administration was that he kept the hearts of everybody in his hand. And that is what is required from the Government. We wish Government to be strong, and strength comes simply by looking into the grievances of different communities living under the Government, who look to the Government and seek their help and assistance in different matters. At the same time I have every confidence that my non-Moslem Indian Colleagues in this Honourable House will like once for all to decide this matter here in this House. This House has a reputation of its own, the responsibility of seeing and settling matters in a spirit of compromise. People outside are fighting; they have grievances against each other; and we responsible persons who come here and are removed from that and who want these matters and disputes to be settled, would of course naturally like to have these questions settled here in this House under the guidance of this House and not outside. We have to come to a solution somehow or other. Some of the Honourable Members here might have seen the Resolution passed by the Nationalist Party as a whole about standing by the Lucknow Pact. They are considering the same question, whether the same proportion in the All-India Services should be given to Mussulmans or not. They are going to decide this matter. But it is my sincere desire that this question should be settled on the floor of this House and not outside. I will give only a few figures from an address presented to His Excellency Sir William Marris on the 14th of August at Agra under the guidance

and presidentship of one of our esteemed Colleagues Nawab Sir Muzammil-ullah Khan on behalf of the United Provinces Provincial Educational Conference. The figures in that address were of Muhammadans who generally go in for Government service, go in for education and are essentially the people who have for a long time been employed under the Government. The castes as well as the numbers have been very carefully given. The sects are Sheikhs, Saiyid, Moghul, Pathan, Turk, and Kamboh. Their total population comes to 3,637,273 in the whole of the Province. This calculation leaves out altogether those classes which are engaged in menial work or who are employed as weavers, *telis* and other castes which deal in other works, but it gives only the classes who in that Province are getting into Government service. Then, Sir, that deputation has taken the figures of the Hindu classes also who go into Government service. Brahmins, 4,659,738, Vaishya 1,114,029, Kaisthas 471,541, Khatris 41,764, Aryas 85,831....1,44,701. This whole comes to 6,517,604. (*An Honourable Member*: "What about Rajputs?") They have given the figures of the Hindu and Musalman Rajputs as well, and by this calculation they try to show that these figures correspond to one to two. Then they have given figures to show the population of the people who chiefly reside in the cities and in the big towns. The total population of the Hindus in all the big cities and municipal areas comes to 2,959,661, and the total population of Muhammadans residing in the towns and in the municipal areas comes to 1,860,756. This also of course does not come to one to two, but besides this, the Hindus who are residing in the villages and are practically rich people, also seek Government service. Of course if their figure is taken, about 9 lakhs more, that comes to 38 lakhs. That will be one to two. Sir, I have given this as an example of what they had been urging that it is only a matter that these solutions can be arrived at very easily by giving some and taking some. Of course by my Resolution when I say "fix a proportion of one-third," I know that there will be some Provinces in which the Mussalmans will by their numerical strength and by their importance, as I have mentioned, be quite entitled to get one-third, in some Provinces they might be getting about 35 per cent., in others they might be getting about 20 per cent. (*The Honourable Sir Maneckji Dadabhoy*: "And where do I come in?") I am willing to extend to you the same terms. (*An Honourable Member to Sir Maneckji Dadabhoy*: "You are always safe".) But I would request my Musalman Colleagues to concede the rights of the Hindus as well, where they are in a larger proportion of the population and the Hindus are in a minority, to give them similar treatment. What they ask for themselves they must give to the other side. There are certain Provinces where the Hindus in numerical strength stand at very very low figures, but their importance is such that it demands that certain concessions should be made, and they deserve concessions. Now, Sir, in Eastern Bengal, in Bengal, where the Muhammadan population is in excess of the Hindus, who are far more educated, the Hindus are holding offices in greater numbers, and for this reason I do not propose to treat Bengal on the basis of population, but I recognise it a little bit in the same shape as I wish to have it recognised in the other Provinces for the Mussalmans. Now, Sir, where do the Muhammadans stand? In spite of their 900 years of rule in this country, in spite of their having no other profession in this country except being

landlords and being Government servants, to what are they reduced at present in the Government services? I have a pamphlet with me prepared by my Honourable Colleague, Maulvi Abdul Karim Sahib, who has given the figures here. It was sent to the Government of India, I believe, in the last winter session, and he has given the figures of all. I shall not thrust the details upon the House, but I shall give the totals of all the figures,—that the Mussalmans, in all these Departments, Railway, Finance and Accounts, Public Works Department, Education, Police, certain Scientific Services, Agriculture, Jails, Medical, Judicial, Indian Civil Service, in all of them together their percentage is 2·9. This is their ratio at present in the All-India Government Services. I ask this Honourable House....

THE HONOURABLE THE PRESIDENT: Order, order. The Honourable Member has exceeded his time and must bring his remarks to a close.

THE HONOURABLE MR. YAMIN KHAN: Now, Sir, I would request this Honourable House that if they will concede this proposition, that the Mussalmans have got really this grievance that they are not represented in a sufficient proportion as they ought to be, if they wish that the differences which are existing to-day between communities and communities should subside and there should be progress on national lines towards self-government, then they must accede to this principle and to this request. Otherwise what will be the result, what will follow? The Mussalmans will remain a backward community, they will not let you go up, they may be dragging you by your feet if you want to rise. This will be the net result of a difference between the communities; and to the Government I say, what will be the result? The result will be that the non-co-operation movement will be strengthened and under circumstances in which the whole blame will be thrown on the Government and the Government will be throwing the blame on the communities. Of course the Swarajist Hindus will get them into their arms, and they will come and embrace them, and their only remedy will be this one. Will this Honourable House, having responsible people on both sides, of public opinion as well as Government, would it like this thing that is going on for some time? I can assure this House on this point but I have got no time to give my reasons. In conclusion, I would draw attention to the fact that it will be a very bad thing if Muhammadans are not allowed to be represented; they would not let the country have any progress.

THE HONOURABLE MR. J. P. THOMPSON: This debate has been conducted with admirable good humour, if I may say so, but I think it is perhaps time that the attitude of Government towards the amendment was indicated. I do not think it will come as a surprise to the Honourable Mover that Government are unable to accept his amendment. The Honourable Mr. Karandikar, who seconded the amendment, showed that he felt the difficulty of the position in which Government were placed by being confronted with an amendment of this sort. Government cannot obviously accept an amendment of this sort, of this very far-reaching importance without consulting the Provincial Governments concerned. The Honourable Member himself showed that he was conscious of another defect in his amendment, and that is that the rigid percentage which it is suggested should be applied is one which could hardly be made applicable to the differing circumstances of the various Provinces. At the same time I take

it that the Honourable Member was perfectly conscious of the weakness of his position when he put down this amendment, and that really what he wanted was to elicit from Government some indication of their general views. That indication has already been given. The Honourable Maulvie referred to the amendment which was accepted by the Government on the 10th March 1923. That was an amendment to a Resolution in regard to appointments under the Government of India, which was made by the Honourable Sir Deva Prasad Sarvadhikary. The amendment ran as follows :

“ That this Assembly recommends to the Governor General in Council that in making new recruitment for the Services under the control of the Central Government, steps should be taken to secure that the Services are not unduly over-weighted with representatives of any community or province.”

With reference to that amendment Sir Malcolm Hailey made these remarks :

“ I would therefore ask the House to put aside the main proposition, based on the claims of separate classes and minority communities, and to affirm the wide, the simple and the reasonable policy which I have enunciated. It is recognised in the amendment which Sir Deva Prasad Sarvadhikary read out to the House. That amendment has my whole-hearted support ; the House can adopt it with safety ; and I would urge that it accept it in the cause—I can only put it in this way—of its own dignity and its position as a representative of All-India interests.”

That was announced as the policy of the Government of India, and that is the policy of the Government of India still.

The Honourable Mover asked that effect should be given to that Resolution. He complained that nothing had been done on it. He is not in possession of the facts. A copy of that Resolution was sent to every Department of the Government of India with instructions that it should be given effect to, and the Departments concerned have been recently reminded. That is the position in which the matter now stands. I would earnestly ask the Honourable Mover that, in view of the position that I have explained, he should withdraw his amendment.

THE HONOURABLE MR. J. CRERAR (Home Secretary) : In view of the remarks which have fallen from my Honourable friend Sir Zulfikar Ali Khan, I should like to add only one or two words in supplementation of what was said by the Honourable Mr. Thompson with regard to the attitude of Government in this matter. I should think it deplorable that when the House is addressing itself to issues of the character contained in the main Resolution, that anything in the nature of dissension, or any formal act of dissension, on a question of this kind should be moved. I should regret that very much, and I should like to remind my Honourable friend the Mover and my Honourable friend Sir Zulfikar Ali Khan of the reference which I made to this question in my opening speech. In doing so I repeated in substance the statement made by the Honourable the Home Member in another place, which was adverted to by my Honourable friend Maulvi Abdul Karim. I said that this question of communal representation had been dealt with at length on a former occasion by Sir Malcolm Hailey. But I added that Government have realized that, if the proposals of the Lee Commission in respect of Indianization are given effect to, that question would necessarily arise in a new and possibly a more acute form. I said that, having regard to the new circumstances which would

be created, it would be necessary for Government to reconsider this matter and to examine very closely the expedients which are possible for giving effect to the sentiments expressed so earnestly and so vehemently by Members, not only of the Moslem community but of other communities which are in the position of minorities. As my Honourable friend Mr. Thompson observed, these questions affect closely—and will affect in future under the conditions which we are assuming still more closely—Provincial Governments. It is necessarily a matter on which the Government of India could not commit themselves definitely to any rigid formula without full consultation with them. In view of this further explanation I trust my Honourable friend the Mover will see his way to withdraw the Resolution.

THE HONOURABLE MR. YAMIN KHAN (United Provinces West: Muhammadan): In view, Sir, of the views expressed by the Honourable Mr. Crerar and the Honourable Mr. Thompson and the assurance given that the Government will carefully consider this problem under the new circumstances as they arise, I beg to withdraw my amendment.

The amendment was, by leave of the Council, withdrawn.

THE HONOURABLE THE PRESIDENT: All the amendments having been disposed of, the original Resolution is now before the Council.

THE HONOURABLE MR. LALUBHAI SAMALDAS (Bombay: Non-Muhammadan): Sir, as the Lee Commission was appointed although the grant for it was thrown out by the Assembly, the appointment of that Commission was received in the country with a feeling, if not of hostility, at least of suspicion and mistrust. That feeling was seen in the attitude of the majority of the Assembly when they threw out the recommendation. Here we are not going to take up that attitude, and as the Commission was appointed by His Majesty the King Emperor, we will try our best to examine the recommendations made by it with all respect that is due to a Commission appointed by His Majesty. Sir, the Honourable the Leader of the House in the impassioned appeal which he made yesterday for a careful consideration of the Government proposals said that he recommended us to accept it because he thought that unless we accepted all the recommendations we may not be able to get the constitutional reforms as early as we wanted them. He said that our throwing out these proposals might retard the advent of further reforms. I believe that all of us want the constitutional reforms as early as possible, and if I honestly believed, as my Honourable friend the Leader of the House believes, that by not accepting this Resolution as a whole we were putting back the clock of constitutional reform, I would be the first man to vote for it. But my reasons for not accepting the Resolution as it stands are first and primarily that the whose aspect of the question is being examined by the Reforms Inquiry Committee, and any action that we may now take may in a way handicap the decision of that Committee. If it does not actually prove a handicap I am sure it will influence to a very great extent the recommendations of that Committee. (*The Honourable Sir Arthur Froom*: "I do not think so.") My Honourable friend Sir Arthur Froom says he does not think so. He is a member of the Committee and he ought to know. However, I believe that human nature being what it is, if the Council accepts the Resolution as it

stands, it will affect the decision of the Committee. I will now take the Resolution, the main Resolution. It says :—

“ that while the existing system of appointment and control of the All-India Services should, in present conditions, be maintained in reserved fields ”.

That portion, Sir, makes us accept that portion of the recommendation of the Commission for some time to come, we do not know how long. It is an indefinite period, as indefinite perhaps as Sir Deva Prasad Sarvadhikary's “ for the present ”, was. And if those words are there and we accept them, the Reforms Inquiry Committee may very well say : “ the Council of State has by their acceptance of this Resolution given its decision that for the present this system of appointment and recruitment should be continued ; let us not therefore tackle that problem.” It is for that reason, Sir, that I do not want to give my vote in favour of at least the first portion of the Resolution.

Then my other reason is this. The Honourable Mr. Thompson made the constitutional position quite clear in his speech. He quoted the opinion of an eminent professor of constitutional law. If that is the correct opinion and if that is the opinion which I daresay is accepted by the Government of India, where is the necessity of getting the Council to agree to anything of the kind suggested in the first portion of the Resolution ?

Is it not merely repeating what the Government of India Act says or what Professor Coupland has said as to the real constitutional position just now ? This very fact shows that the Government themselves may have some doubts, and they want the Council of State's opinion on that portion of their Resolution. If that first sentence were taken off, I for myself am prepared to accept (1) (a), because as my Honourable friend, the Leader of the House said, half a loaf is better than no bread. Here the Commission does give us something. There is no doubt about it that the Services operating in the transferred fields, namely, the Indian Educational Service, the Indian Medical Service and all these are transferred, and that is a real gain ; and if the first portion is omitted I am prepared to accept it as it stands. But, Sir, there also the way in which the recommendations of the Commission have been hedged in by, if I may say so, a distrust of the Assembly is not right. Chapter X of the Commission's recommendations, which lays special stress on the guarantees, shows that the Commission as a whole have accepted what in their opinion seems to be the feeling of some of the members of the Services. The Commission in paragraph 79 said :—

“ It is only to be expected that if constitutional changes would lead to uneasiness amongst members of the Services with regard to the effect of these changes and the conditions under which they are to serve, etc.”

Sir, we have heard not only in this House but from some of the members of the Services who gave evidence before the Commission that they were prepared to work the reforms in a loyal spirit. I thought, Sir, they would have full confidence in the Legislature that any agreement or any contract that was entered into by the Secretary of State would be observed by the Legislature now and even when full responsible government was granted. This feeling of distrust, Sir, is visible on both sides. I am not going to say how it was created. There is no doubt about it that the Services are suspicious, they are distrustful,

of the action that the Central Legislature might take. On the other hand there is undoubtedly also a feeling among some of the Members of both the Houses that the Services are not going loyally to carry out the constitutional reforms. That feeling has to be set at rest, and it can only be set at rest if we all work together in a spirit of friendliness. And here I want to raise a word of protest against what the Honourable Mr. Thompson said. I do not think he meant, when he referred to the character of the Englishman and the Indian, the superiority of the Britisher over the Indian. I daresay what he meant was that the culture of each was different, and that the character would be according to the culture; I hope I have correctly understood the Honourable Mr. Thompson that he never meant that there was any question of superiority, but merely a difference of culture. If this is so, I have nothing more to say, but unfortunately that speech might create the impression that there is a feeling abroad that the Britisher is necessary because the Britisher as a class is superior in character to the Indians. I am sure the Honourable Mr. Thompson could not have meant that in his remark about the difference of character due to climate. Still I want that position to be made quite clear.

Then, Sir, there is another point on which I want to lay stress. I entirely agree with what the Honourable Mr. Thompson said, with great feeling about Hindu-Muhammadian unity. That is a problem that is disturbing all of us. As he said, if the attempts made by the leaders of both the parties are crowned with success, a great burden will be lifted off the head of the Government and also off the leaders of both the communities. We all expect, Sir, that Government will do their level best to help the leaders of the two communities in coming to an amicable understanding.

As regards the recruitment of the Services in England, I do not think that anybody on this side of the House wants that there should be any cessation or stoppage of that recruitment. We want the advice, the guidance, the friendly advice of English officers. My friend, the Honourable Sir Arthur Froom, told us yesterday that we in Bombay, officials and non-officials, Indians and Englishmen, have always been very friendly and have been working hand in hand for the progress of the reforms. That is so, Sir, because the English officials of my Province—and I can speak about my Province only—have treated non-officials as their equals; there has been no patronizing spirit, there has been a spirit of camaraderie, and the same spirit has prevailed between non-official Englishmen and non-official Indians. That is why Bombay—I do not know whether the Honourable Mr. Bell will agree with me—that is why Bombay gives a lead to the rest of the country as regards equality and friendliness between Englishmen and Indians. We in Bombay have no “Clive Street” of Calcutta. But that is by the way. Now, Sir, coming to the details of the recommendation. I hope, Sir, I have not exceeded my time?

THE HONOURABLE THE PRESIDENT: You have four minutes more.

THE HONOURABLE MR. LALUBHAI SAMALDAS: Paragraph 48 refers to the commercial houses having given evidence. No names have been mentioned because it is said they wanted their evidence to be treated as confidential. I do not know whether the commercial houses were all English houses or also Indian houses. If they were Indian houses, most probably they would have

given the same replies that have been given by the English houses. There may be some difference here and there, but the main reason why in commercial houses we have to pay higher salaries to our expert advisers is that in the first place there is no pension; then the contracts are for a number of years, and after that period we may renew them or not, as we find them suitable for our work or not. They have no guarantee that their services will be continued. The security services have a security which the commercial services have not, and that is the reason why we have to pay higher salaries. As regards the security services and the Imperial Services, it is very difficult to understand the reasons why the Commission have said that the Imperial Customs, the State Railway Engineers, and the superior Telegraph officers should be officers nominated by the Secretary of State. We want, Sir, to have such power delegated to the Government of India, and we hope that the Reforms Inquiry Committee will insist on the greatest power being delegated to the Government of India so that the Government of India can show by their action, in consultation with the Central Legislature and in co-ordination with them, that they will treat the Services with as great regard and as great confidence as the Secretary of State would ever do. If we have that feeling of mutual confidence created here and outside this House, then I believe we can easily march together to Swaraj.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadan): Sir, at the outset, I must congratulate the Honourable Mr. Crerar for the forcible and eloquent and at the same time calm and dispassionate manner in which he has presented the case of the Government. It is a misfortune that the Lee Report, which we are considering, does not satisfy anybody. It has pleased neither its friends, nor its opponents. While on the one hand it is said on behalf of the Services that the recommendations do not suffice to attract a sufficient number of British recruits, that the recommendations do not fully allay the discontent which exists in the Services, on the other hand it has been said on behalf of the people that the recommendations do not satisfy Indian aspirations and impose a financial burden. Even the Honourable the Mover of the Resolution is not prepared to accept the recommendations wholesale, for I think there are three modifications of the Report which are suggested in paragraph 3 of the Resolution. I find also from page 49 of the correspondence between the Honourable Mr. Crerar and the Local Governments that the Honourable Mr. Crerar finds some traces of confusion in the treatment by the Commission of officers above the time scale. But notwithstanding its imperfections, notwithstanding the criticism to which the Report has been exposed, I feel, Sir, that I cannot reject the recommendations wholesale. When I find, Sir, that 9 members of the Commission, after examining 411 witnesses, some of which evidence was taken in public, have come to a certain conclusion, when I find that amongst the 9 members of the Commission there were four representative Indians, headed by Mr. Bhupendranath Basu, who has laboured all his life for the political advancement of India, I feel it extremely difficult to reject the recommendations altogether. Sir, to the verdict given by such a body if you cannot attach a conclusive effect, you can certainly say that it affords a *prima facie* presumption, to use legal language, as to the accuracy and soundness of its conclusions, and I am prepared to accept those conclusions in the absence of any

evidence to rebut the presumption as to its soundness. I have not heard anything said in this House which makes me think that the recommendations, so far as the first part relating to the Services are concerned, are in any way displaced by any contrary evidence that has been brought before the House. The criticisms which my Honourable friend Mr. Karandikar suggested have, I think, been amply met by the Honourable Mr. McWatters. Now, Sir, if, as I take it, we are to take the recommendations with respect to the relief to the Services, I think it should be granted to the Services at once. The reason for my saying so is this. Experience has shown that in all countries, however democratic the country may be, it is one of the essential conditions of good administration that there must be a permanent Civil Service, efficient and contented. I agree entirely with the view with reference to this which has been taken by the Honourable Mr. Crerar. Now, Sir, this leads me to consider the Indian Civil Service, and I must say, and it is practically acknowledged on most hands, if not on all, that that Service has been noted for its efficiency, noted for its high traditions, noted for its integrity and for its honesty. My own conviction is that taking the Service as a whole, it has shown an initiative, resourcefulness, and a driving power which is rare in any of the Services elsewhere. I believe also, Sir, that the Indian Civil Service has an earnest and sincere desire to help India in the progress towards the development of self-government within the Empire—a cause to which the British Government is now committed. I also believe that the Indian Civil Service combines with that desire a determination to deal justly not merely between Indians and Indians, but, what is politically more important, between an Indian and an Englishman when questions of conflicting claims arise, as they constantly do arise, between an Indian and an Englishman. Under such circumstances, Sir, it would not be right to refuse to the Services the relief which has been promised by the Commission and which, it has been represented by the officers, is very urgent and has long been overdue. The object of increasing the emoluments is, I find, two-fold, first to attract to India British recruits of the required stamp and second to allay the discontent and remove the financial embarrassment of those already in service. I have already stated that efficiency is one of the essential conditions required in a Civil Service. But as Lord Salisbury once said, “All efficiency must be relative” that it must take into account not merely the requirements but also the resources of the people for whom you are going to secure efficiency; and this leads me to consider the financial aspect of the recommendations. They impose a financial burden of about 1½ crores, distributed over the Government of India and the different Provinces. Lord Curzon in the debate in the House of Lords said that 1½ crores is nothing for the contentment of the Services when compared with the wastage of money, wastage of crores which is happening with regard to new Delhi. Whether I agree with his Lordship or not I must get an assurance from the Government that no additional taxation would be imposed for the purpose of raising this 1½ crores. In this connection, I feel that relief must be given to the Services, and I am sorry I do not see the Finance Member here—I appeal to the Finance Secretary to find funds for financing this without fresh taxation by a reduction in the military budget of India, which is a heavy burden, and there is a general feeling which is by no means confined to Indians that the whole of it is not properly chargeable to this country. A question

has been raised by my friend Sir Deva Prasad Sarvadhikary that in Bengal we are in financial straits. The 63 lakhs which the Government of India have been granting for the last three years will now be stopped, and Bengal's contribution to this additional burden of one crore is about 9 lakhs. I understand from the Honourable Mr. McWatters that it will exceed that amount. When the question with regard to Provincial Contributions arises, I think the Honourable Mr. McWatters who is here will remember that he will have to give Bengal the relief which is needed in this respect. I notice also that the Bengal Government which was addressed in this respect do not represent, at any rate that the Bengal Government will not be able to carry on the scheme of these new recommendations without further financial relief. Now, Sir, I leave the part of the Resolution which deals with the relief to the Services.

I now come to recommendation 1 (b) that the recruitment of the Indians in the reserved fields should be increased as recommended. Treating this question, Sir, as a purely service question and not as a question of constitutional advance, I submit to the House that the recommendations fall short of Indian aspirations. The time seems to be ripe when larger and freer admission of Indians into the higher regions of administrative service has become necessary if there is to be harmony between the Government and the re-awakened life of India. I have, of course, no objection at present to the Indianisation to the extent of 50 per cent. (I am speaking of the Indian Civil Service). But the period during which we have to attain this half and half proportion is 15 years, which is indeed very slow. We have been assured by the Government elsewhere, and I think the assurance is also given here by the Honourable Mr. Crerar, that the adoption of the Lee Commission's Report would not in any way interfere with further constitutional advance, if such advance is given either by the Reforms Committee which is now presided over by the Honourable Sir Alexander Muddiman or by the revision of the constitution in 1929. Of course, we take this assurance of the Government. With regard to the entire stoppage of British recruits, of course, I am not in favour of entire stoppage. For I see the full force of the argument which has been presented by the Government, namely, that if there is an entire stoppage once, there may be a time when the British element will altogether be eliminated for a period of time, which is perhaps not desirable. I may however submit this that if the speed of Indianisation is to be accelerated I should suggest for the consideration of the Government that instead of there being recruitment at the rate of 40 Europeans to 60 Indians in the Indian Civil Service let it be in the ratio of 25 Europeans to 75 Indians till the revision of the constitution in 1929. For, after all, we have been assured by the Honourable Mr. Thompson, that this is only a provisional measure. The recommendations are really of a transitory nature and can be taken to have effect up to 1929. Or, even if there is a difficulty to accept that figure of 25 and 75 for this period of 4 years, I would suggest a progressive scale, namely:—

40 to 60 in 1925

35 to 65 in 1926

30 to 70 in 1927

25 to 75 in 1928 till the constitution is revised. It is true, of course, the constitution will be revised and in the meantime some vested interests will be created. But that is a position which cannot be helped. I therefore suggest this amendment and hope that the Government will find their way to accelerate the speed of Indianisation by accepting the figures which I have suggested with regard to the recruitment of the Indian Civil Service. I will conclude only by saying this. The Honourable Mr. Thompson as well as Sir Arthur Froom told us the other day as to whether we desired the entire elimination of the British element. I, for myself, can say that I do not desire the entire elimination of the British element from the Indian Services. What we do want is this that our English friends should not shrink from putting into practice in their dealings with India the principle of partnership in rights and duties on which the British Imperial Commonwealth of Nations has been built up. The British people have enshrined that principle in the Constitutional Charter which they have given to us of their own free will; and I hope and trust that the British element in the Services will carry that principle into practice.

THE HONOURABLE MR. J. W. A. BELL (Bengal Chamber of Commerce): Sir, if I support the Resolution proposed by my Honourable friend, the Home Secretary, it is not because I am favourably impressed by the Lee Commission's Report—because I am not. In saying this I do not refer so much to the second Chapter which deals, in the first place, with the appointment and control of the Services; in the second place, with the constitution of the Public Services Commission; and, in the third place, with the Indianisation of the Services.

With regard to the first we have heard a good deal to-day on the subject of recruitment and control of the Services, and in this connection I merely say that, owing to the altered conditions in the country, it seems reasonable that the Services operating in transferred fields should be dealt with by Local Governments, and that they should have power to make rules controlling these Services and also the present Provincial Services. I think that this is in conformity with the intention of the Government of India Act. It is equally reasonable—in fact it is absolutely essential—that the Services operating in reserved fields and the Central Services should continue to be recruited and controlled by the Secretary of State. I do not think that there will be much objection in this House to the proposals made under this head.

With regard to the Public Services Commission, this was provided for in one of the sections of the Government of India Act.
 5 P.M. The standard set for the members is very high, so much so that a distinguished ex-Viceroy of India, in the House of Lords the other day, expressed some doubt as to whether five gentlemen with suitable qualifications could be found, who would be willing to accept service on this Commission. Similar Commissions at present exist in South Africa, in Canada, and, I think, in Australia, and the experience gained there seems to confirm the opinion expressed by the Lee Commission as to the possible usefulness of such a Commission.

With regard to Indianisation we have heard much on this subject to-day, and I do not, at this late hour, wish to go over ground that has already been covered. It is true that there may be some people who consider that the pro-

posals of the Lee Commission do not go far enough, but there is a very large body of public opinion in the country both Indian and European, who believe that the proposals of the Lee Commission reach—if they do not in fact overstep—the border line of safety. As I say, much has been said on this somewhat difficult subject to-day and I propose to leave it at that.

In this connection, however, there is one matter to which I should like to draw attention, that is, with reference to the proportion of Indians and Europeans in the different Services. The Lee Commission in referring to recruitment for the Indian Civil Service, the Police Service, the Forest Service, the Indian Service of Engineers, and the Political Service, speak of the proportion of "Indians" to be recruited. In speaking of the Imperial Customs Service they refer to the number of "Statutory natives of India" to be recruited. I should like to know the reason for the use of the different terms in these different cases. I do not suppose that it was the intention of the Lee Commission, and I do not think that it will be the practice of the Government of India to exclude from the five Services first named, Anglo-Indians and members of the Domiciled Community. To do so would be to inflict an injustice on two important, although small, Indian communities, which I do not think would be contemplated by the Government of India or by Honourable Members of this House.

I should like some assurance from my Honourable friend, the Home Secretary, that my understanding on this point is correct.

But it was not because proposals for changes in the method of recruitment of the Services, or for the immediate formation of the Public Services Commission, or for the further Indianisation of the Services were urgently called for that the Lee Commission was appointed. It is a matter of common knowledge that for years the Services in India have been inadequately paid, and that this has caused widespread and somewhat justifiable discontent.

The members of the different Services are unable to perform their duties efficiently, as members of any class are unable to perform their duties efficiently, if they are faced by continual financial embarrassment.

When the appointment of the Lee Commission was announced, great hopes were entertained that something very substantial would be done to improve the financial position of the Services, but I am afraid that the proposals made, even if they be adopted in their entirety, will do very little in this direction. That the Lee Commission were informed of the financial position of the Services is indicated in certain parts of their Report. I hesitate at this hour to read extracts from the Report to Honourable Members, but there are two short paragraphs of which I think the House ought to be reminded before coming to a decision upon the Resolution now before it. On page 26, the Commission say :—

"In the course of our inquiry, the Services have placed before us carefully compiled statements of current income and expenditure. We could not examine these figures in such detail as to warrant us in accepting them as a sufficient basis for new scales of pay, but they offer strong evidence that a considerable proportion of married officers now serving are either falling into debt or only avoid doing so by economies which may be detrimental to their contentment and efficiency."

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On the same page they say :—

"We were informed that a great many officers, particularly in the early years of married life, are at present in debt to an extent which was unknown 20 years ago, and that this is by no means due to extravagance. Insurance policies are pledged as security for advances to a much greater extent than formerly, and in many cases their surrender value taken. In other words, officers are mortgaging or sacrificing the provision made for their families in the event of their death, and only escape from their difficulties, if at all, towards the end of their service."

In view of these remarks, one would perhaps have expected that the recommendations of the Lee Commission would have been more generous.

With regard to the actual increases proposed, this aspect of the question has been gone into very fully by Honourable Members on the other side of the House, and therefore I do not wish, as I had intended to do, to go into the question in detail. It might be borne in mind, however, that the only increases in basic pay that are recommended are in the cases of the Police Service and the Indian Service of Engineers. In both cases the increases are very small and, as some one speaking on that subject yesterday said, especially in the case of the Police, will not be grudged by any one. The only benefit of any great importance to the other Services is a proposal under which over-seas pay will be increased by Rs. 50 per month and officers, after the 5th year of service will be entitled to remit the whole of their over-seas pay at 2s. to the rupee. That is a very substantial concession.

One proposal which has caused a considerable amount of criticism is that under which it is suggested that free passages should be granted to officers of the different services. The proposal is that, in the course of his service, an officer should receive four free passages from and to his domicile, that his wife should receive the number of passages of which the officer has not availed himself at the time of his marriage, and that each child should receive one free passage Home. This is a concession which will be greatly appreciated, I think by members of the different Services, but it is a concession the importance of which it is very easy to exaggerate. What does it really amount to? Assuming that, on an average, an officer is married after his second furlough Home, the exact financial result,—he will receive four passages, his wife two and each child one and assuming there is a family on an average of two or three—in the case of an officer of 30 years' service is an increase of about Rs. 32 per month in his salary during the course of his service. I think that, when it is realized that the financial benefit to the officer is so small, any opposition to the granting of these free passages at least on the part of Honourable Members of this House, will be abandoned. I do not think that the proposal will receive any opposition, even from so ardent a protagonist of economy as my friend the Honourable Mr. Vedamurti.

THE HONOURABLE THE PRESIDENT: The Honourable Member has two more minutes.

THE HONOURABLE MR. J. W. A. BELL: Generally speaking, looking at the Lee Commission Report from the aspect of the result which its recommendations will have, on the financial position of officers of the different services, the improvement is so very small that one can only feel that the members of the Commission have been influenced by the financial position of

the country. One thing is absolutely certain, and that is that the proposals as they stand will do nothing at all to stimulate recruitment at Home. However they do certainly to a certain extent improve the position of the Services. They have apparently been accepted by Government as the best that may be done at present, and they represent the unanimous findings of this Commission, no member of which has submitted a minute of dissent. That being so, I think it would be well for the House to accept the proposals in the same spirit of compromise as that in which they have been formulated. I would therefore appeal to Honourable Members of this House to refrain from embarrassing Government by pressing any small points in respect of which they may feel that the recommendations are defective. If they adopt this attitude, they will dispel any feeling that the proposals for increases in pay and pension which have been made have been approved of by them in any grudging spirit, and by their action they will convey to those directly interested and to the public here and elsewhere, a very desirable indication of their high appreciation of the splendid work that has been done, and that is being done, by the different Services in India, to whom every one of us here is so greatly indebted, and to whom this country owes so very much.

THE HONOURABLE MR. J. CRERAR: Mr. President, the hour is so late and I have already had such a long and patient hearing from the House that I do not now intend to detain it long. We have traversed a great extent of ground, we have examined the principles and details of the Report very fully, and it would be an impossible task for me to attempt to sum up the debate or even to reply fully to the arguments adduced against my Resolution. Having regard to the necessary limits of my speech and the limitations of the speaker, I must, even as it is, with regard to the task I propose to impose upon myself, plead the words of the old prologue:

“ Pardon, Gentles all.

The flat unraised spirits that have dar'd
On this unworthy scaffold to bring forth
So great an object: can this cockpit hold
The vasty fields of France? or may we cram
Within this wooden O the very casques
That did affright the air at Agincourt? ”

In my opening speech, Mr. President, I ventured to appeal to the sense of justice and to the statesmanship of the House. I must acknowledge that I have not made that appeal in vain. The principal burden, I think, of the opposition to the Resolution I must take to be that which is most nearly in the form of a direct negative—the amendment of my Honourable and learned friend. And I have a mild impeachment to urge against my Honourable and learned friend, an impeachment of some inconsistency in his attitude. When the Report of the Lee Commission was first laid in the hands of Honourable Members, my Honourable and learned friend was foremost in pressing upon me the demand that the House should be given an opportunity of discussing the recommendations of that Commission. Now if the discussion had been limited to the terms of my Honourable and learned friend's present motion, I venture to point out that the House would have been completely precluded from any

full, fair and frank discussion of the merits of these recommendations. And as my Honourable and learned friend's motion was conceived in inconsistency, so also, I venture to suggest, it was brought forth in inconsistency.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : The reforms inquiry came in since.

THE HONOURABLE MR. J. CRERAR : Quite so, but that does not materially affect the justice of my position.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : That is the basis of my amendment and nothing else.

THE HONOURABLE MR. J. CRERAR : I will proceed, Sir, to indicate the other directions in which I consider that my Honourable and learned friend has been somewhat inconsistent. He urged upon us the vital connection between administrative reform and constitutional reform. His conclusion from those premises was that the large and extensive measure of administrative reform which the Lee Commission have proposed should be refused. That point has been adequately replied to by the Honourable the Law Member and Leader of the House and I will not advert further to it. My Honourable and learned friend also—I must say with a distinct sense of acknowledgment—agreed with every other Member of the House, except I think the Honourable Member from Burma, whose local patriotism he permitted to prevail over his sense of perspective—my Honourable and learned friend, arguing with the almost unanimous voice of the House, was prepared to grant relief to the Services. That proposition was promptly followed up by the further proposition that he was not prepared to support financial provision for this purpose. Thirdly, my Honourable and learned friend made some remarks, which I am bound to say seemed to have a good deal of substance in them, in regard to the question of the All-India Services,—a point which I have already adverted to in my opening speech,—but the proposition that the All-India Services should be retained as All-India Services and that their control should nevertheless pass to the Provinces,—these propositions are not only inconsistent but mutually destructive propositions. Then the Honourable Member made on his side an impeachment against me. He said that I showed the assumed modesty of an assured victor. I am very glad that I gave my Honourable and learned friend the impression of modesty. But I regret that he should have supposed that it was assumed. The truth is that I was thinking a great deal more of conviction than victory. At the same time the Honourable gentleman intimated on his own part some premonitions of ill-success. Now, Sir, I can only infer from that one of two things. Either my Honourable and learned friend lacked confidence in the judgment and impartiality of this House, or he was acutely conscious that he had a bad case. Of these two alternatives, I think the second was the correct one.

Now, Sir, I pass to other matters. Much has been urged mainly I think in favour of the Services; something has been urged against them. But there were some things which it is quite impossible for any member of the Services to urge on their behalf. I should therefore like to take this opportunity, on behalf of the All-India Services, to express to His Excellency the Commander-

in-Chief our deep appreciation of his noble vindication of their records, their traditions and their achievements. We have a legitimate pride that that vindication was made by the son of a very distinguished Indian Civilian. That might perhaps be imputed in part to filial piety. We are proud that it should have been made by the Commander-in-Chief. But some might suppose that he had military prepossessions. We have the most unreserved and the deepest sense of pride and gratification in the fact that the vindication was made by General Sir William Birdwood. And I should like to add a word of appreciation for the words of recognition which also fell from my Honourable and learned friend Dr. Mitter and from other Members of the House.

Now, Sir, as I said, it is an impossible task for me to traverse the whole ground once more. I understood from my Honourable friend Mr. Lalubhai Samaldas that he was on the whole disposed to accept my Resolution with one reservation regarding the maintenance of the existing system of appointment and control of the All-India Services. I point out to my Honourable friend that his apprehension that those words commit the House to anything in the nature of a perpetuity is entirely erroneous; and in the presence of my Honourable friend Sir Arthur Froom I will say nothing on the suggestion that, if the House passes this Resolution, the Reforms Committee of Inquiry—a body comprising gentlemen of considerable independence of view—could find that their independence of view unduly restricted. I think neither the Honourable Member nor the House need have any apprehensions on that point. My Honourable friend, Mr. Bell, asked me for one word of assurance with regard to the Anglo-Indian community. I have no hesitation in giving it. When, with reference to “Indianisation”, we use the term India, we mean by that statutory natives of India, and that term undoubtedly covers the community to which he particularly referred. Now, Sir, I will not detain the House any further. I made one appeal in my opening speech, which, I admit, has been fulfilled. I asked Honourable Members to approach these large questions with a large and open mind. Substantially and from almost all sides, that appeal has been answered. I now confidently ask for the judgment of the House.

THE HONOURABLE THE PRESIDENT: The question is :

“That the Resolution standing in the name of the Honourable Mr. J. Crierar, which has just been read to the Council, be passed.”

The motion was adopted.

9th September, 1924.

RESOLUTION *RE* ANNUAL PROVISION FOR THE REDUCTION OR AVOIDANCE OF PUBLIC DEBT.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : General): Sir, I beg to move:—

“That this Council recommends to the Governor General in Council that the Government be pleased to take steps to introduce suitable legislation at an early date to provide for an annual provision for the reduction or avoidance of public debt.”

Sir, with your permission I will take the liberty of recalling what I said in the Council of State on the 7th March last with reference to this matter. I then pointed out, in the course of the Budget discussion, that—

“there is one other important matter regarding our national debt which requires profound consideration and fresh examination. That question too has been dealt with by the Honourable Sir Basil Blackett with the instincts of a born financier. There has been in the past no system, no policy, and no recognised method adopted by successive Finance Ministers for the purpose of liquidation of our national debt.”

Then I proceeded further and stated :—

“I only hope that as the subject is of very great importance and cannot be fully discussed during the time allotted for the Budget debate, the Finance Minister will give an early opportunity to this Council to discuss this question by a separate motion or Resolution to ascertain the views and wishes of the Members of this Council.”

If therefore any apology is needed for this Resolution, this is one. I am grateful to the Finance Department for giving me and Members of this Council an opportunity of discussing this important question. This question is not so exciting as the one which we have just debated. I fear it is an abstruse one and requires thoughtful consideration. Sir, in order to enable the Council to appreciate the significance of this Resolution, it will be necessary for me to bring to the attention of this Council certain figures. The national debt is the supreme concern of every country. It is the primary matter which affects the best interests of every nation, and India is no exception to that. I do not propose to weary the Council with any detailed figures, but I must, in order that the Council might be in a position to understand the situation, point out the composition of our national debt and the means hitherto adopted by the Government of India for the repayment of that debt. It is known to this Council that our total national debt at present is Rs. 917 crores. Of this national debt, Rs. 362·92 crores represents what we call our rupee loan and Treasury Bills in the hands of the public. We have likewise a similar sum floated in England which is known as the sterling debt. The sterling debt of India also amounts to nearly Rs. 393 crores. In the course of my speech I shall try to avoid as far as possible small decimals and fractions. The unfunded debt of the country is also of some significance. The unfunded debt represents the Post Office Savings Banks, the Cash Certificates and the Provident Funds and other departmental and judicial receipts held in the treasury. This debt comes to nearly Rs. 73 crores. We have to add to this the capital value of the liabilities undergoing redemption by way of railway annuities and the like, and this amounts to the figure of Rs. 90·14 crores.

This is the position of our national debt. It is a jaw-breaking figure, but there is nothing to be alarmed about it. It is a big debt, but it does not in any way mean that India is not solvent. Compared with many other nations, we stand in a very favourable position. Our national debt consists largely of what we call productive debt—monies spent on the construction of railways, irrigation canals and other important public works. Other countries also have very large public debts; but when an examination of our national debt is made, it will clearly appear that we stand in an exceedingly favourable position as compared with other countries; and in order that we should improve our position in the future, in order that our borrowings should

be based on a proper and satisfactory principle and a sort of systematisation may be approached and accomplished, this Resolution has been brought forward.

Of this total debt, Rs. 578·39 crores represent productive debt; and the unproductive debt is only Rs. 228·45 crores. I shall refer to this unproductive debt a little later. Now, what is our position? In India our debt falls under the category of two important headings. One is what we know as terminable loans, the other is what we call non-terminable loans. You are aware that all our 3 per cent. stock, our 3½ per cent. stock, are called non-terminable loans. There is no period of redemption fixed.

1 P.M.

A time-limit was originally fixed for redemption of these stocks which gave the option period to Government. That time-limit has expired and now this amount can only be redeemed at the will of Government, and as you all know, when Government can retain and hold money at 3 and 3½ per cent. they are not likely to redeem this category of debt very quickly. Of course in this category also fall two small loans—one the Scindia loan and the other the Nawab of Rampur loan, both intended for the purpose of construction of railways. Their terms also are practically non-terminable. The terminable loans represent the two big loans that were floated in 1915 and 1917 during the war for the purpose of war expenditure and making our contribution to England, and those 5 per cent. and 4 per cent. loans amounted to about 39 crores, 16 lakhs. Then Government also floated war bonds to a very large extent which were to be repayable within a period of about 15 years. And these war bonds come up to a very large amount. They fall due from time to time during the next 10 years. The total then of our non-terminable loans is 197 crores and the total of the terminable loans is 138 crores. A large sum also was raised by way of sterling loan. Now, in regard to our rupee loan floated in this country, the Council will be pleased to bear in mind that the Government have made no proper provision for its redemption except the two war loans, 5 and 4½ per cent. 1929-47 and 1945-55 loans which were floated, for which Government have set apart a sum of money on the scale of 1½ per cent. as depreciation. That depreciation Sir Malcolm Hailey found in 1921 insufficient to support even those loans and asked the Council to vote for 80 lakhs a year as an additional support for the following years. Happily Sir Malcolm Hailey's prophecy has turned out to be incorrect and, as was pointed out in the course of the last Budget speech, there was no occasion to fall back upon this extra item of 80 lakhs a year.

I have given this Council a brief account of our debt position. Now it will be of interest to the Council also to know what has been the policy of our Government in respect of our rupee borrowings. I do not wish to go into very ancient history, but I will tell the Council that these rupee borrowings started in the time of the East India Company. The East India Company borrowed at large rates of interest; they borrowed money and raised loans at the rate of 6 per cent. per annum. From 1820 to almost 1857 the rate of interest gradually fell from 6 per cent. to 3½ per cent. Lord Canning found himself in difficulty after the Mutiny and required money for the purpose of reconstruction and carrying on the administration and he again altered the financial policy and increased the rate of interest to 6 per cent. That continued till the year 1871 when the policy of Government was again altered and they

continued to borrow at reduced rates till in 1894 they issued a big loan at 3½ per cent. and in 1896 at 3 per cent., loans which are now called non-terminable loans and which have been the cause of so much discontent among their holders during the last five years and which have also given trouble and cause for serious reflection to our Finance Department. What I wish to point out to this Council is that the Government have made no methodic, no regular, no systematic, provision for the payment of our national loans. In earlier years, perhaps, it was not necessary, in view of the fact that in those years our borrowings were not so large. It was only after 1910 that our borrowings began gradually to increase till during the war period when and after they reached a fabulous figure. In the two years 1916 and 1917 we had to raise nearly 43 and 47 crores by public borrowings. So, in earlier years it was perhaps not imperatively necessary to provide for the amortization of debt. But now our national debt has reached a figure which makes the question one of very serious consideration. We cannot, consistently with sound finance, allow the present policy to continue. I may at once say that I do not claim any credit for this Resolution. The credit for this Resolution is due to Sir Basil Blackett who a little time after arriving in this country discovered the defects in our system and applied his mind to the solution of some of the most important questions concerning the financial policy of this country. Unhappily, in the past, our finances have come under the baneful influence of politics. Political sentiments have in the last few years affected our finances. But I am sure that it is the opinion of all right-minded people that politics should be entirely divorced from the question of finance, and that all financial matters should be discussed and debated by this Council purely from the point of view of public interest and the welfare of the country at large. Sir, the Government of India have provided in the last Budget a sum of Rs. 4 crores for the amortization of debt. In the previous year some sums were also allotted for the purpose. But these are the result, not of any systematic or methodical policy of the Government, but of accident. You are aware that Government had entered into contracts with some of the Railway companies to purchase their property by way of terminable annuities. We had to provide for these terminable annuities in our Budget. We had also entered into an agreement with the subscribers to the two big loans of 1929-47 and 1945-55 to provide for a depreciation amount at the rate of 1½ per cent. In order to meet this depreciation and in order to meet these terminable annuities, these four crores have been provided. But it is not by virtue of any settled policy of the Government that this has been done. My Resolution now seeks to impress upon the Government the necessity of arriving at some definite settlement in respect of this matter. We cannot allow this most important financial question to remain in its present condition any longer. The Government and some of my Honourable Colleagues may say that the credit of Government is large and there is no necessity for providing an amortization fund. I admit that the credit of this country is large. But the credit of any nation is a very fragile and fleeting article. You cannot always depend upon your own national credit. A sound financier will not depend upon national credit. This credit is liable to be affected by internal and external shocks. This credit is liable to market convulsions, both inland and foreign, (this credit is liable to be affected by political influences, this credit is also liable to be affected by other causes, such as drought, scarcity.

famines, and similar other happenings. So, you cannot always depend on credit. That country is great, that country's finances can be considered sound, which has made adequate provision for the repayment and the timely liquidation of its debts. It is like the case of an ordinary individual. The individual in his domestic budget provides for the repayment of his debt. Why should the nation which is only a community of individuals avoid provision for the repayment of the national debt and depend upon fortuitous, accidental, circumstances for that purpose? Sir, I therefore request that this Council will agree with me and press upon the Government the necessity of coming to a decision upon this point. I submit that in a matter like this it is essentially necessary for us and for Government to examine the sum total of our national debt and to see what actual assets we hold against our debt. These assets require also annual verification. They appreciate and depreciate. Every commercial house at the end of the year examines its books, allows so much for depreciation and arrives at a true idea of its own position. The Government do nothing of the kind. They only proceed upon the budgeted figures for the valuation of their assets. We have got so many millions invested in the railways, so many on irrigation, so many on canals and public works! How much of that has really appreciated or depreciated — the Government make no inquiry. This is the position. I therefore submit that it is necessary that we should make a full examination of the subject and provide for the repayment of our debt, and I also submit that the repayment should be a statutory provision. The reason why we should provide for statutory repayment is easily understood. Otherwise the policy of repayment will depend on the whim and fancy of each successive Finance Minister, and there will be no continuity of policy. There will be no method in the matter of dealing with a question like this. It is all right, as I said in my Budget speech, as long as we have got a Finance Member of the type of Sir Basil Blackett. He knows the real position. He has been nurtured in the financial problems of His Majesty's Government where he had access to and means to know and learn the whole position. We do not know what is going to happen in the future. I do not for a moment suggest that all the money which we would lay aside or earmark as a sinking fund should not be used at all. I do not say that it should be accumulated with interest and compound interest. It should be utilised in the repayment of the existing debt, or it should be utilised in expenditure on productive works. Again, whatever amount of sinking fund we may be able to lay aside may be put into the entire balances of Government, and from those balances every year a certain percentage of our securities may be purchased and cancelled. For instance, every year we may purchase a certain percentage of our securities in the open market and cancel them.

It is impossible for me to place before you a cut and dry system of liquidation. I fully recognise that the question is a very very important one and requires considerable reflection. The experts of the Finance Department with the assistance of experts at Home can easily devise a policy which will be of material assistance to the country in this connection. Now, as regards our non-productive debt it is scandalous, I say, to allow it to remain stagnant in its present position. Very little has been done during the last few years towards the liquidation of our unproductive debt. Our unproductive debt is a real debt. It is a debt which would threaten and weigh upon any community.

That debt ought to be liquidated with the quickest possible despatch. I know that the greater portion of our non-productive debt, 228 lakhs represents, as I have pointed out to you, our war gift to the British Government and the accumulated deficits of the five years ending the 31st March 1923; but in peace times it should be the policy of Government to liquidate the debt, especially unproductive debt, as early as possible, because any moment a serious emergency may arise such as war and large sums of money may be required for fighting a war or for the protection of our frontier or for any unforeseen internal purposes and you may have to float a large loan. It is therefore very necessary that the unproductive debt should be kept under control, and every possible and legitimate means should be adopted for its rapid liquidation. Now, Sir, I suggest these plans in the best interests of Government. By the plan I have suggested the credit of Government will materially improve. Our future borrowings will be obtained at a much cheaper rate in the market. We shall be in a position to secure loans at easier rates, and in order to do that, the Government should make a definite announcement of their policy that in no case are the Government in future years, except for emergent necessities, going to pay more than 5 per cent. I must respectfully point out that it was a great blunder committed by Government, when they floated the sterling loan last year in England at 7 per cent. and when they permitted the Bombay Government to float the development loan at $6\frac{1}{2}$ per cent. What was the result? It temporarily ruined Bombay, because merchants and other people withdrew all their money from the joint stock companies and banks where it was deposited and invested and employed it in the purchase of the $6\frac{1}{2}$ per cent. development loan, with the result that there was no money left at a very critical time for the purpose of carrying on the trade of Bombay, and that fact, accompanied partly by the Reverse Councils which were then in vogue, accounted for the partial ruination of the industrial activity of Bombay. I must try and curtail my speech as unfortunately I have to my credit very few minutes. It is a very important subject and I have taken some time, but it is a subject which cannot be dealt with within the thirty minutes allowed by the rules. However I will try and summarise it.

THE HONOURABLE THE PRESIDENT: The Honourable Member has only two or three minutes.

THE HONOURABLE SIR MANECKJI DADABHOY: There is a lot of money in the country. Government can obtain any amount of capital cheaply. Unfortunately the money power has not been properly mobilised in India. That ought to be done. I do not believe that there is any large volume of hoarded wealth but large sums of money are available in the country, and if the Government made their loans attractive by instituting a scientific system and method in their borrowings and providing for a regular and scientific system of amortization, a large sum of money would be annually forthcoming. If trade facilities are given they will conduce to the prosperity of commerce. I also think that the time must arrive before long when the Imperial Bank will have to be converted into a State Bank and the Currency Department to be handed over to the Imperial Bank of India with power to issue notes.

And the State Bank when constituted should also be authorised to issue seasonal currency against inland commercial paper. When this is done there will be a flow of great prosperity in the country and the Government of India will have the good fortune to obtain large sums of money whenever they desire at a cheaper and less burdensome rate.

I am sorry, there is much more to be said on the subject and other kindred matters, but time does not permit me to do so. I hope therefore that the Council will accept my Resolution.

11th September, 1924.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, as two dissentient voices have been raised in this debate, somewhat, I confess, to my surprise, I should like to say at the outset that the Government of India are in entire agreement with what they take to be the main principle of this Resolution, namely, that there should be a comprehensive programme for the redemption of the public debt, taking into account Government's capital liabilities as a whole, and that this programme should be based on principle and not on chance. We have heard the views of Members of great commercial experience as the Honourable Sir Maneckji Dadabhoy, the Honourable Mr. Bell and the Honourable Sir Arthur Froom, and the House will surely attach great weight to the opinions of men of such practical knowledge of business. The Government has also got its business aspect. The Honourable Sir Maneckji Dadabhoy suggested that we ought to have a periodical review of our assets, and I agree with him. Now the principal asset of a Government is its credit, and there is no way in which the credit of Government can be maintained better than by making adequate provision for a reduction of their capital obligations to the public. It is just the same with Government's currency; they have to avoid over-issue, and they have to make adequate provision for reserves, so with the public debt. They should avoid over-borrowing for unproductive purposes and make adequate provision for redemption of that debt. Therefore, so far as the principle of this Resolution is concerned, Government are in complete agreement with it. I will return later to the subsidiary, though important point as to whether the programme should be embodied in legislation at the present moment.

The Honourable Mover of this Resolution paid a graceful tribute to the Honourable the Finance Member in acknowledging his indebtedness to him for having attracted general attention to this subject in his budget speech. In that speech the Honourable Finance Member gave a full account of the position of our public debt and the provisions which existed for redeeming it, and the Honourable Sir Maneckji Dadabhoy has also given the House a very full historical account of our debt, so that it will not be necessary for me to go into any detail in this matter. There is general agreement on one point that no systematic provision has hitherto been made for the redemption of the public debt. It has been largely a matter of chance. I can in half a dozen sentences sketch the position to the House. So far as India is concerned, there is no depreciation fund or sinking fund for any of the earlier loans. For the long term 5 per cent. loans raised during the war a depreciation fund of 1½%

of the face value of the loans was introduced, in order to guarantee to subscribers that the capital value of their subscriptions would not be impaired. In England the circumstances have been different; the greater part of the provision for reduction of debt is due to the various methods by which large railway properties were taken over by the State many years ago. They were taken over in two ways, a certain portion by issue of 3 and $3\frac{1}{2}\%$ Government of India stock in purchase of annuities and debenture stock of certain railways. In these cases statutory sinking funds are attached by Acts of Parliament. The other method was by annuity payments over a long period of years, which include both capital and interest, and this is an important point, because as these payments continue until they are extinguished about 1946-47, the capital portion is an increasing amount and the interest portion a diminishing amount each year. The same applies to the provision made for redeeming our obligations in respect of the £100 millions British war loan taken over during the war. The greater part of this was met from the proceeds of the War loans issued in India, but a portion remained which is now approximately 19½ millions. This is also being extinguished by equated annual payments, and of these equated annual payments an increasing amount each year represents capital and a decreasing amount represents interest, until our obligation is extinguished, also in 1947. In addition to these provisions, there are in England a number of discount sinking funds, which were introduced when loans were issued below par, and these are an annual charge against revenue, spread over a number of years. In India, on the other hand, on the few occasions when we have issued loans below par, the discount has been written off against the revenue of the year concerned, with the sole exception of last year, when a similar discount sinking fund was introduced for the loans which were then floated. That is the present position, and nobody will maintain, I think, that it is in any way a scientific one; it is due purely to chance.

When the Honourable Finance Member rather more than a year ago took up this question in a scientific way, he found, I will not say to his surprise, because he has never expressed surprise to me about it, but he found that the actual contractual and obligatory payments which we were making towards the redemption of debt were approximately equivalent to the figure arrived at on a scientific examination as an adequate provision from revenue for this purpose. This, I think, is important; and the conclusion I draw from it is that if we are putting our house on a securer foundation and introducing a more scientific system, we do not thereby imply any reflection on our predecessors.

Indeed, those who, like myself and most members of this House, have had personal acquaintance with such Finance Ministers as the late Sir William Meyer and his predecessors will, I think, acknowledge that they managed the finances of the Government of India in both a skilful and cautious manner, the result of which was that when the war broke out, the Government of India's unproductive debt had been practically extinguished and the credit of India at the beginning of the war stood high and enabled this country to meet better than most countries the cataclysm which overcame the whole world. Therefore, although we propose to treat the matter now in a different fashion, it is without

Now, some time before notice was given of this Resolution, the Government of India had already been in communication with the Secretary of State on this question, and I am able to inform the House that complete agreement has been reached. Some minor details are still unsettled; but a Government Resolution will be issued shortly in which a definite scheme of debt redemption to cover the next five years will be laid down. The basis of this scheme is the existing amount of our total capital obligations on 31st March 1923, for which we have audited figures. We have examined the whole question again very carefully and are satisfied that, for the redemption of the debt at that period, a provision of 4 crores from revenue is sufficient. That is the basis of the scheme. To that amount will be added each year in respect of any new capital borrowings one-eightieth of any new sums borrowed. The amount so arrived at will be applied to the avoidance of debt or the reduction of such debt as the Governor General in Council will determine. Our Statutory and contractual obligations will of course remain, but the amount charged against revenue in any year will be determined on the basis above described. It will be a definite figure based on the total amount of debt as certified by the Auditor General at the end of each year taking into account any fresh borrowings since March 1923. In addition we propose that any actually accrued surpluses shall be applied automatically to the reduction of debt.

In reply to the objections which have been raised by the Honourable Dr. Dwarkanath Mitter that a scheme for reduction of public debt may involve the country in new taxation, I would like to say that this is an entire illusion. The fact that we are making a definite and more scientific provision for the reduction of public debt does not necessarily mean that that amount will be in excess of the amount which is set aside from revenue now. In fact, as I have pointed out in connection with the terminable Railway annuities and the annual payments in connection with the British War Loan, the capital amount in each case is an increasing figure, which in the case of the Railway annuities would amount in 1946 to £2½ millions; so that the present unscientific system might well be far more burdensome than a scientific one. Incidentally, we should not overlook the fact that by making a proper provision for reduction of debt we improve our credit and may hope to reduce our borrowing rates and interest charges to the benefit of the tax-payer. With regard to the statement of Dr. Mitter that no reduction of debt is of any use unless there are real surpluses, I am in general agreement with him, but I hope that we have passed the period of deficits. When I was speaking last March in this Council in connection with the Budget, I said that we anticipated at that time on our revised estimates a probable deficit of 38 lakhs irrespective of the windfall in connection with enemy ships. I am glad to be able to tell the House that so far from there being a deficit last year we expect quite a comfortable surplus. As for the prospects of the present year, I can of course make no prophecies, but must leave it to the House to judge whether they are favourable or not. This, then, Sir, is the scheme which Government put forward, and I hope the House will agree that if that scheme is introduced and persisted in, as the Honourable Sir Arthur Froom said, it will be to the great advantage of India's credit both at Home and abroad. With regard to the particular questions which the Honourable Sir Arthur Froom addressed to me, I think the real answer to one of the questions is, that any provision for the reduction of

debt, while we still have unproductive debt outstanding, is really a reduction not of our total debt but of the unproductive debt.

It is in fact a contribution from revenue towards productive capital expenditure. I shall specially note the point he made that the public would like to have definite figures of our productive and unproductive debt put before them in a clear way.

I now turn to the subsidiary point as to whether it is desirable that this programme should be embodied in legislation. This involves a somewhat difficult constitutional point, which, I am glad to see, nobody in the House has raised. I prefer to discuss it as a practical question. The arguments for including a provision of this kind in legislation are usually based on what is done in other countries, particularly in England. The English system is an interesting one, with a history which I should like to mention briefly. It begins in the year 1786, when the British Parliament practically first took serious control of public expenditure, and what is known as the consolidated fund was introduced. Against that fund are charged two separate classes of expenditure. The first is expenditure which is laid down definitely by Parliamentary Statute, either permanently or for a long period, as a first charge against the consolidated fund. The second class of expenditure is expenditure which has to be brought before the House of Commons for its cognisance and scrutiny each year. Now, with regard to the first class of expenditure of a more or less permanent character, this of course includes the interest charges of the public debt. To these have been added also from time to time other items, such as the civil list, payments for His Majesty's Judges, annuities and pensions and various other items, which for obvious reasons it has been considered desirable to reserve from the annual vote. So far as sinking funds for the public debt are concerned, these fall as a first charge against the consolidated fund if there is a statutory enactment to that effect, otherwise they would come as an annual vote before Parliament. So in England there has been a gradual growth, developing a system less rigid than our system of voted and non-voted heads of expenditure, although there also certain items are removed from the annual vote of the Legislature. I do not wish to pursue the matter further, but simply to point out that the development in England has been gradual and the fixation of a Statutory Sinking Fund would not naturally apply to a case where we are only laying down a programme for a limited period of five years. If we were in a position to say now that we could introduce a programme which would hold good for 50 years or for ever, I think there would be a strong case for embodying it in legislation. But we are feeling our way in this country, and have not got much experience yet. An important further point is that we shall, as I said, have set aside actually accrued surpluses for the reduction of debt. At the end of five years when we know what those surpluses are, we shall be able again to review the position and decide what is a reasonable charge against revenue for a further period. The only argument which has been adduced for making this provision statutory, so far as I have heard, was that of the Honourable Mover who distrusted future Finance Members.

THE HONOURABLE SIR MANECKJI DADABHOY : I did not say that I distrusted the future Finance Member, but I said that the whole policy, the

Finance Member. It is quite a different thing to "distrust"; he may honestly take a different view of the general policy from that of his predecessor, Sir Basil Blackett. Another Finance Minister may honestly take another view of debt redemption. There may be honest differences of opinion. I therefore want statutory provision.

THE HONOURABLE MR. A. C. McWATTERS: I accept the correction. But, Sir, I do not think any Finance Member who is worth his salt would depart materially from a considered scheme which was working well. The position then is that Government are in entire agreement with the main object of this Resolution, but they cannot accept it as it stands. With your permission, Sir, I should like to move an amendment, of which I have given private notice to the Honourable Mover.

The amendment is :

"That for the words 'suitable legislation' be substituted '*a considered programme*'."

I trust that the Honourable Mover will see his way to accept this amendment, which I think gives him all that he really wants. If he does accept this amendment, Government will be pleased to give him their most hearty support.

THE HONOURABLE THE PRESIDENT: The original Resolution is :—

"This Council recommends to the Governor General in Council that the Government be pleased to take steps to introduce suitable legislation at an early date to provide for an annual provision for the reduction or avoidance of public debt."

To this an amendment has been moved :

"That in place of the words 'suitable legislation' the words '*a considered programme*' be substituted."

That amendment is now before the House. Does the Honourable Sir Dinshaw Wacha wish to speak on that amendment or on the main Resolution ?

THE HONOURABLE SIR DINSHAW WACHA: Sir, I shall speak on the amendment. I am sorry, Sir, that I had to leave early on Monday last and therefore had not the pleasure of hearing the excellent speech of Sir Maneckji Dadabhoy. But I entirely agree with what has fallen from my Honourable friends, Mr. Bell and Sir Arthur Froom. I am getting a little deaf nowadays owing to my advancing age, but, so far as I have heard the Honourable Mr. McWatters, I can say that not only the Honourable Members here but the public outside will be quite gratified to hear the very lucid statement that he has made and the intention of the Government in regard to the reduction of debt in the future. Of course, it must be understood that I am entirely for the amendment which my Honourable friend Mr. McWatters has now proposed. What has happened, however, is this: for years past everybody has been demanding that there should be some sort of a permanent provision for the reduction of debt. But the position, ever since the time that the transfer of India came to the Crown from the East India Company, has been that the Government have never been able to boast of what we may call stable and elastic finances, much less prosperous finances. For the last so many years the Government have practically lived from hand to mouth.

Sometimes there have been surpluses. But if you look at the Budgets of the last 64 years, say from 1860, you will find that there have been more years of deficits than of surpluses. When Government had had more or less annual deficits to meet, which are, of course, met by taxation, it was not possible that they could be in a position to start a statutory provision for the reduction of debt. Everybody, of course, will agree that there can be nothing more desirable and expedient than a scheme for the reduction of debt in every civilized country. I would like to take the Honourable Members, so far as India is concerned, to the year 1882 when Sir Evelyn Baring (afterwards Earl Cromer) was the Finance Minister. While remitting considerable taxation, which practically made India a Free Trade Country, he observed that India had "no true surplus" to speak of. He was quite right in making that pertinent remark. Whatever the surplus whenever obtained, it was simply a modest excess of receipts over expenditure. What Sir Evelyn Baring meant by "true surplus" was this. That India had never such a substantial surplus which could warrant a certain amount of it to be set apart as a reserve fund for the reduction of debt. If there was some surplus left in a given year it was generally applied to remission of taxation. Given an adequate surplus the first duty should be to set apart a sum for the reduction of debt and thereafter to remit taxation. That is the principle which the Government of India have always borne in mind. But they have not been able up to this time to see their way how to do it, the finances being more or less far from fluid. Now, of course, times are changed. Our war debt has increased. Our productive debt has increased and also our unproductive debt. So far as the productive debt is concerned, there is nothing to apprehend, because it will in time repay itself, if a certain sum is annually set apart from railway gain for depreciation. But as far as the unproductive debt is concerned, it is time that we did deliberately take some steps, and I can only say that it was wise that the Honourable Sir Maneckji Dadabhoy had brought before the House his proposition in order that the Government may now seriously make a beginning. That beginning should, in my opinion, be in the direction of the amendment which the Honourable Mr. McWatters has moved. So far, I think, the House ought to be grateful not only to Sir Maneckji Dadabhoy but also to the Government, who now propose to proceed on lines which will, I hope, ease our Indian finances in the future and put them on a more stable footing than they have been during the last 64 years. We are, of course, now living in different times, which make me believe that there will be more taxation in the future than there has been in the past. The question then will arise—How are we going to avoid or reduce our debt unless we have a very big surplus? In this connection the first thing to see is, what is the present yield of your taxation? If your taxation is not sufficient to meet your demands from year to year, then, the Government will be obliged to impose heavier taxation. How is that to be done? That is a very difficult question. It is very easy to say that you must reduce your debt. But, at the same time, the Honourable the Finance Member, who has the interests of the Indian finance at heart will have to see how it can be practically and prudently done. That will be the problem the Finance Member will have to solve. It is pretty certain that all the present taxation will be needed and it is possible more will have to be imposed. That is one of the biggest problems which occurs to my mind. I do not know whether it

similarly strikes my Honourable Colleagues in this House. That is one of the problems which will have to be closely looked into when the Government come forward to propose a scheme for the reduction of debt. I think that will be the proper time to consider the different aspects of this difficult question in order to arrive at a satisfactory solution of it. In the meantime, I do repeat and say that the step that we are going to take to-day as a preliminary to a future reduction of the debt is a step in the right direction, and I congratulate both the Government (the Honourable Mr. McWatters) and the Honourable Sir Maneckji Dadabhoy for having brought the matter into the domain of sound finance.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces General): Sir, I am exceedingly grateful to this Council for favourably receiving my Resolution, and I cordially thank my Honourable Colleagues, the Honourable Mr. Bell and

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Sir Arthur Froom for the judicious support they have given to this Resolution. I am also grateful to the Honourable Mr. McWatters for the very sympathetic manner in which he has dealt with the whole question, as well as for the enormous amount of light that he has thrown on the question. Objections have been taken by my three Honourable Colleagues, Dr. Dwarkanath Mitter, Sir Deva Prasad Sarvadhikary and Mr. Natesan on the ground that any system of debt redemption would involve additional taxation, and, as Dr. Mitter put it, unless we have got an excess of revenue over expenditure there can never be a real sinking fund. This is a fallacy which needs no refutation. Theories and abstract doctrines may be very good, but they do not always serve our purpose. What we have to find out is the way in which other nations far more advanced than India have dealt with their financial responsibilities and more particularly with the national debt. My Honourable friend, Mr. McWatters has rightly said that the constitutional question was not discussed by any Honourable Member here. I intended to discuss that question in my opening speech the day I moved my Resolution, but unfortunately the time-limit prevented my doing so. The Honourable Mr. McWatters has in a way completely and ably answered my friend, Dr. Mitter and that relieves me of the onerous duty of criticising and analysing his arguments to any great extent. My Honourable friend, Mr. McWatters referred to this Act of 1786, the circumstances under which that Act came into existence in England and the provision for debt redemption that was made. That Act is known to lawyers as "Mr. Pitt's Sinking Fund", XXVI George III, c. 31, to which my Honourable friend Mr. McWatters has referred. The constitutional history in England has been slightly different from what has been stated by the Honourable Mr. McWatters. The British Parliament did not remain content with the Act of 1786, and as the crux of the problem became more and more difficult and engaged public attention in the year 1829 they passed another Act which was called the "Old Sinking Fund", which Act considerably enlarged upon the scope of the Act of 1786. That Act in its turn was further modified by the new Sinking Fund Act brought into operation by Sir Stafford Northcote which is known as 38 and 39 Vic., c. 32. The Old Sinking Fund and the New Sinking Fund are now utilised for reducing the debt. The whole thing has been systematised, and there are Commissioners appointed for the due discharge of the Debt. That system has placed the English financial position on a proper basis. Now

I do not want to detain the Council with the history of other countries. I can show what France at one time did and what America is doing for the redemption of national debt, and the manner in which statutory steps were taken towards this object. There is no doubt that no amount of general or temporary arrangement can come up to any statutory organisation. In every country, in every Legislature, doctrines and ideas rapidly change; the financial problems which were looked at from one angle of view are now looked at from a different standpoint. It was therefore deemed expedient that some sort of statutory obligation consistent and compatible with general revenues and the circumstances under which loans could be repaid was proper to introduce. It is on such lines that other countries have proceeded. I am aware of the difficulties in India. I am aware of the deficit budgets to which my learned friend Dr. Mitter has referred; but the one panacea for deficit budgets is, as you all know, the consolidation of our finances and putting our finances on a proper and well organised basis. If once that is done the effect of that policy will influence all the departments of finance and our deficit budgets with a wise, judicious and well considered financial policy will soon become a matter of the past. A statutory programme does not necessarily imply the imposition of additional taxation. In 1921 Sir Malcolm Hailey in order to prop up the 5 per cent. and 4 per cent. securities asked the Council to vote an additional amount of 80 lakhs and he then stated that that was a meagre provision, and that he was more or less prepared to adopt the "heroic measure" of additional taxation. I myself on that occasion opposed that policy, and I said I would not be a party to the imposition of additional taxation for the purpose of redemption; that redemption was to proceed from revenues that may be regarded as surplus. The surplus revenues would depend on the manner in which your general accounts are shaped and prepared, and this is the position. I am therefore very pleased and express my gratitude to the Government for having now awakened to the necessity of taking suitable steps for the purpose of consolidating the financial policy of Government in a matter so important as debt redemption. I realise the difficulties of imposing a statutory obligation as much as any one in this Council, and that is why I stated the other day that the matter will have to be threshed out by financial experts who may also call for the assistance of experts from Home. I therefore welcome the amendment which my Honourable friend Mr. McWatters has now suggested as a prelude and a preliminary step towards that ultimate realisation of a statutory programme. I see that Government have practically decided to go in for a definite scheme to cover the period of the next five years and to lay down principles and a policy in connection therewith. Mr. McWatters has also stated that a sum of one-eighth of the amount will be added every year. I understand that this extra addition will proceed on the principle that the loans are to be repaid as far as possible within a period of 80 years. On that basis I am quite prepared to accept the suggestion. The suggestion is a valuable one and it would prepare and educate this country, at any rate it will enable us to know in the next five years what provision we can adequately make for the redemption of our debt and what policy we should adopt hereafter. As a prelude to future action, and as an experimental scheme, I am quite prepared to accept this amendment in preference to my Resolution. I have much pleasure therefore in announcing that I am willing to accept the amendment proposed by the Honourable the Finance Secretary.

THE HONOURABLE THE PRESIDENT: The original motion is:

"That this Council recommends to the Governor General in Council that the Government be pleased to take steps to introduce suitable legislation at an early date to provide for an annual provision for the reduction or avoidance of public debt."

To this motion an amendment has been made. "That for the words 'suitable legislation,' the words '*a considered programme*' be substituted."

The question before the Council is that that amendment be made.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The motion now before the Council is:

"That this Council recommends to the Governor General in Council that the Government be pleased to take steps to introduce *a considered programme* at an early date to provide for an annual provision for the reduction or avoidance of public debt."

The motion was adopted.

22nd September, 1924.

RESOLUTION *RE* APPOINTMENT OF A COMPETENT INDIAN TO THE RAILWAY BOARD.

THE HONOURABLE SARDAR JOGENDRA SINGH (Punjab: Sikh): Sir, my motion is:

"This Council recommends to the Governor General in Council that at least one competent Indian should be appointed to the Railway Board taking into consideration the wide range of Railway activities."

With your permission, Sir, I should like to amend my Resolution by adding "as early as possible" after the word "appointed".

THE HONOURABLE THE PRESIDENT: Is there any objection on the part of the Government to this alteration?

THE HONOURABLE MR. G. L. CORBETT (Commerce Secretary): No, Sir.

THE HONOURABLE THE PRESIDENT: Then the Honourable Member should move his Resolution in the amended form.

THE HONOURABLE SARDAR JOGENDRA SINGH: The amended Resolution will run as follows:

"This Council recommends to the Governor General in Council that at least one competent Indian should be appointed *as early as possible* to the Railway Board taking into consideration the wide range of Railway activities"

I may begin by saying, Sir, that the moving of this Resolution has not been inspired by any mistrust of the Railway Board or its management. We have the fullest possible confidence in the Commerce Member who is in charge of the Railway Department, which is carrying on one of the largest undertakings in the world. The Railway Board has managed our railways very efficiently—in fact, as efficiently as is possible—and I hope it will continue to do so in the future. My reasons for moving this Resolution are quite different. We, Sir, are conscious of the change that is now taking place in the Government of India.

With the rapid development of the self-governing institutions and the gathering of the power in the hands of the Legislatures, there is a greater need of strengthening control and making the authorities materially and morally strong. I agree with the Honourable Sir Alexander Muddiman in his remark that the real issue is not that of a few appointments out here but there are larger issues which are involved. And I feel, Sir, that the larger association of Indians with the Railways will lead to the strengthening of the railway management. For instance, if from the Government side a new suggestion is made in the interests of the railway management in the two Houses, it very often happens that public opinion, not being fully informed, becomes suspicious of the proposals made by the Government. But if we have an Indian fully associated with the management of the Railways, there will be no suspicion of any proposals which the Government of India may make for the efficient running of this great department. Another reason, Sir, is that in the process of reconstruction that is now at work, there is a risk of a break-down unless a large body of politicians come to grips with the real problems of administration. An attitude of drift and criticism without any constructive ideas is likely to disturb that atmosphere of discipline which all Governments must maintain. There is, therefore, Sir, a greater need of harmony between the Legislatures and the Services. This need cannot be too greatly emphasised. The presence of an Indian on the Railway Board will bring that harmony of relations between the Services, which are responsible for the carrying on of the railway administration and the Legislatures, which is absolutely essential if the work is to progress harmoniously. I feel, Sir, that what we need most in these Councils is a better informed opinion and the Councils will be greatly strengthened when responsible men like our friends over there come and sit on the non-official Benches knowing the inner working of the Administration and ready to arrive at right conclusions. In the matter of Railways, there is a great need for Indian opinion being properly informed. In the interests of the country it is essential that an Indian ought to be in touch with the working of this big department, so that his presence in our Councils may be helpful in carrying out the administration on right lines. For instance, Mr. Hindley, the Chief Commissioner of Railways, is now being tied down for months in Simla and for months in Delhi, whereas he ought to be free to go about and see to the efficient working of the railways. If an Indian were to be appointed to the Railway Board, he will be able to do Mr. Hindley's work at the headquarters and Mr. Hindley will then become free to go about and make the railways more efficient. Then, again, Sir, the railways are great customers and the development of railway industries can be of great service to India. Here, also, an Indian would be of very great help in accelerating the development of railway industries. I, for one, have no fear, Sir, that the development of Indian industries will ever run counter to English interests. In fact, if India grows richer, her trade with England will grow larger. I am frightened of practical men. They hold short views, so do the capitalists. What one needs is a broader view, the view that is based on the faith that in the unity of India and England lies the prosperity of the two countries, and that a prosperous India also means a prosperous England and a poor India certainly governs the wage in England. That is why I am of the opinion that an Indian Member of the Railway Board, who will be able to promote Indian industries, will be indirectly helping English trade, which is

very essential for the prosperity of both the countries. Under these conditions, Sir, I hope the House will support me in this Resolution asking for the appointment of an Indian on the Railway Board. I shall conclude my speech by saying to my English friends do not be despondent but with faith work for the realisation of self-government for India, promote the spirit of partnership and free association of India and England and maintain the aristocratic principles of greater humour, greater kindness and greater humility; and, believe me, India will respond with greater affection, greater faith and greater friendship.

THE HONOURABLE MR. G. L. CORBETT (Commerce Secretary): Sir, with your permission I will state at once the position of the Government in this matter. The Honourable Mover of this Resolution, both to-day and on other occasions in this House has emphasised—and if I may say so, he has rightly emphasised—the business aspect of railway administration. The Indian Railways are one of the greatest commercial undertakings in the world. There are 38,000 miles of line, and the capital at charge is no less than 571 crores for the commercial lines and 101 crores for the strategic lines. Last week, as Honourable Members are aware, it was agreed in another place to put the finance of this great undertaking on a business footing by separating the railway budget from the general budget. The basis of this arrangement is that the commercial lines are required to make a standardised profit over and above the interest charges on capital. At the same time, it is essential for the trade of the country and for the travelling public that the rates imposed should be as low as possible. We must not abuse our position as monopolists, for political or for any other reasons.

Railway finance, then, has been put upon a business footing. We have got to make a standard profit. At the same time, we have got to keep rates and fares as low as possible. It follows that railway management must be on a business footing too. And I hope that the House will treat this Resolution as a business matter.

Let us first consider how this great commercial undertaking is directed and controlled. The Directors are the Government of India. The Railway Board are the technical managers. The Government of India settle the policy, the Railway Board carry it out. I am not quite sure that the Honourable Member has correctly conceived the functions of his Indian Member of the Railway Board. It seems to me that the officer he described would rather be the Railway Member of the Government of India.

Now let us consider this question of Indianisation. Let us see what this policy is, and how it has been carried out. The policy of the Government of India is to Indianise the railway services. I believe that this policy has the approval of this Council, and there can be no doubt, to my mind, that it is the right policy. I am not now concerned with political considerations. But from the business point of view, it is unsound that we should depend too much on overseas recruitment.

And what steps are we taking to give effect to this policy? In the first place, we have accepted the recommendations of the Lee Commission's Report that recruitment should be 75 per cent. Indians and 25 per cent. Europeans. In practice, we have already in some branches actually exceeded this percentage of Indians. I have the figures here. I think this Council is chiefly

interested in the recruitment of gazetted officers, that is, the superior establishment. Taking the Traffic and Engineering branches together, 47 appointments have been made on the State Railways during the last three years. Of these only 9 were Europeans, and 38 or 81 per cent. were statutory natives of India.

This Resolution, however, recommends the appointment of an Indian to the Railway Board. Now, Sir, as I have shown, our policy and our practice are to Indianise the railway system as a whole. But we cannot undertake to Indianise any particular post within any particular time. This is a business concern, and we must employ each man on the work for which he is best suited. In particular, as I have said, the Railway Board are our technical managers. The Board is a very small body for the management of a great railway system. It consists of only four men. It is essential that each of these four should be the best man we can get for the job. The time will come, I am sure, when the best man we can get for the job will be an Indian. But it will not be at once. It must take time before there are Indians of the requisite standing and experience in the Railway Department for appointment to the Railway Board. I feel sure that this Council will agree that the technical managers of this vast undertaking should be chosen for their technical qualifications, and not for any extraneous consideration.

Last Saturday, a Resolution was moved in another place in the following terms :

"That Indians should be appointed as Members of the Railway Board as early as possible."

This Resolution was not opposed by Government. The Resolution, as now amended by the Honourable Mover, is substantially the same, and it is not opposed by Government.

THE HONOURABLE SARDAR JOGENDRA SINGH: The Resolution has been very well received by the Government and the support that I have received from the other Members of the House, including Mr. Bell, is most gratifying. It shows that any business proposal made in this House is considered on its own merits and may we long continue this tradition. The Railway Department, as has been pointed out, is a business concern and it should not be allowed to be considered in any other light than that of pure business. If I may say so, Sir, without violating any sense of modesty, I did not confuse the functions of the Railway Board with the Advisory Committee. I quite realise that the Board in itself is a body of technical experts. At the same time, I feel, as in private companies, you have technical experts, but you have always men with large views of business associated with the technical men, so that the combination of these two forces leads to good and efficient business. I do not see why in the Railway Board we should not have the larger view of the ordinary business man who may not understand the technical side but who knows what business is. That is an important point. Then, again, the Honourable Mr. Corbett laid great stress on the Indianisation which is in progress. Personally, Sir, I do not attach an undue importance to this matter. I am more anxious that the directorate should be more Indo-Anglian than it is at present; and personally I was going to say on the Lee Report that we want British officials more in the districts than at the

headquarters. Similarly I suppose we want British officers in charge of railway districts. I am not particularly interested one way or the other, as long as the administration of the districts and the railways is made efficient, whether it is run by English or Indian officials. I hold to the ideal of a British Indian Empire, united and solid. I hold to the ideal that this is the only thing to work for, without any regard for race or creed. There is some truth in what Mr. Bell said, regarding the functions of the Indian Member. If I may, with your permission, draw attention to the Acworth Committee's report, the Acworth Committee clearly recommended the appointment of a Member in charge of the Railways and the sooner that recommendation is given effect to the better. You need an Indian Member in charge of the Railways, which is a very big department, and which certainly needs representation on the Government of India. I need not lay more stress on this point as this has been clearly set forth by the Acworth Committee. I do not think, Sir, it would be wise to delay the appointment of an Indian to the Railway Board. I do not want to reduce the number of members on the Railway Board. Perhaps an additional member may be sanctioned, and I can say without any hesitation that the appointment of an additional member will not burden the finances of the Railways to such an extent as to reduce it to bankruptcy. For instance, Agriculture is a purely technical department, and yet it has been found that very often the man in charge of the Agricultural Department is not a technical expert and the experts have welcomed the appointment of a non-technical expert at the head of the Agricultural Department. I am sure the Railways too will find that a man of business brings a broader view and strength to the Railway Board. One thing needful in the changing times which both Indians and Britishers should keep in view is this that we have been brought together to learn to live together, and in spite of many contentions we should not lose our faith but continue the good work in full belief that our faith will be justified in the long event.

THE HONOURABLE THE PRESIDENT: Does the Honourable Mr. Corbett wish to reply?

THE HONOURABLE MR. G. L. CORBETT: No, Sir.

THE HONOURABLE THE PRESIDENT: The question is:

"This Council recommends to the Governor General in Council that at least one competent Indian should be appointed as early as possible to the Railway Board taking into consideration the wide range of Railway activities."

The motion was adopted.

11th September, 1924.

RESOLUTION *RE* THE PURCHASE BY A PRIVATE COMPANY OF
THE EAST INDIAN RAILWAY OR THE GREAT INDIAN PEN-
INSULA RAILWAY.

THE HONOURABLE SARDAR JOGENDRA SINGH (Punjab : Sikh): Sir,
I beg to move:

"That this Council recommends to the Governor General in Council that he may be pleased to allow a private company to purchase the East Indian Railway or Great Indian Peninsula Railway outright."

I may mention at the outset that I am not entering into the conflict, which has been set at rest, by the Acworth Committee, regarding State management and Company management of the railways. The recommendations of the Acworth Committee mainly concern the State-owned railways managed by companies. This is the distinction I want to draw from the very beginning. The report has clearly set forth the reasons why it is not possible to keep this system, as it lacks all the advantages of Company management and the dual control is not likely to work well in the future. I do not see any objection to a purely company-owned railway managed by a company that provides the finance for that railway. So far as I can see, Sir, in that Report no decision was arrived at regarding a purely company-owned railway. The advantage of private enterprise, and of an undertaking run by private people, need not be elaborated; there is the human element, the directorate is all the time concerned in making profits, in affording facilities to attract traffic, exploring all the possibilities of increasing earnings. I would not say that State management cannot be as efficient; it certainly can be efficient, but at the same time there is always the change in the directorate every five years. New men come in, new policies are initiated, and no permanent policy can be maintained. Then again, Sir, in India the need for encouraging private enterprise is greater to-day than it was in the past; indeed my Resolution is complementary to the Resolution which has just been moved and passed by this Council regarding the reduction of our national debt. If a private company could come forward and take over one of our railways, there can be no doubt that we could immediately proceed with a very large reduction of our debt, and at the same time ensure larger credits, which might be available, not only for pushing forward State enterprise in the matter of railways, but in other directions also. My point is, that if there is a company which can be found to take over one of our railways, it would be in the interests of the State to encourage that company to do so, so that the State may take up the building of new railways. When I am talking about this, Sir, I may also mention, that I am never afraid of capital coming out from England or from any other country. The idea of preventing the flow of capital from outside should never be entertained. For instance if I need money and it came from Timbuctoo, I would welcome it, to extend my business; and when we are talking of England, to talk of England as a foreign country seems to me rank heresy. I will never admit that English capital is foreign capital. England is the predominant partner in this great Empire; England has done a great deal to push enterprise and business in India, and if England will give us capital, we should welcome the capital that we can utilise out here. English capital is partly our capital, and I want in this House to make it clear that we do not wish to shut out the flow of capital from England. We should do all that we can to induce capital to flow into India to help our enterprises. There can be, Sir, no greater partnership between India and England than that based on pure business relations. When both the countries are linked together and realise their economic interdependence, the partnership will become a reality, which pure politics can never make real.

The history of State management in other countries is not very encouraging so far as we can see from the Report of the Acworth Committee, and I think India may well take a lesson from what has happened in other countries,

where the State has taken over the railways and tried to manage them. This is what is stated in paragraph 77 on page 268 of the Report :

"We will now allude briefly to the conditions in a few important countries where State management exists. The Swiss Federal railways in seven years (1914—20) have shown a loss of 200 million francs, say 8 to 10 million sterling. Before the war they were earning a small profit. Passenger fares have been increased by 40 to 60 per cent. Prior to 1914 and subsequent to the date of nationalisation there was a steady and often large increase in the cost of the staff and in the operating ratio. The Northern Railway of Austria, before it was taken over by the Government in 1906, paid a dividend averaging for the previous five years 12 per cent; the Government succeeded in turning that profit into a loss. In Italy for a period of eight years from 1905, when Government took over the working of the railways, there has been a steady yearly increase in the operating costs and the return on the capital has declined. The American railways are in such a bad way consequent on the last period of Government control, that President Harding in a recent address to Congress, after referring to the 'heedlessness of cost of Government operation,' emphatically asserted that there would be a foundation for rebuilding after the past disaster, if it was clearly understood that there would be no State ownership, and that the people would not be taxed to cover railway deficits. This shows the trend of opinion in a democratic country."

If in democratic countries where the Governments are stabilized, where there is no transitional period to be passed through, where political influences are not likely to become strongly intrusive, it has been found that State management has not been profitable, then how can we in India expect that immediately we take over the railways, we would make them profitable ?

The way to look at the Railway undertakings which is one of our biggest enterprises is not to look at it from the sentimental point of view, but purely from the business point of view, from the tax-payers' point of view. We must safeguard the interests of the tax-payer, for which most of the Honourable Members were very anxious a little while ago, by providing efficient, economic and elastic management; that private management have greater chances of proving itself efficient, profitable and enterprising no one can deny. As I am on the point, Sir, I do not mean to say that State management is inefficient. I think our officers are doing their best. But we cannot ignore the human element which comes into play when personal profits are concerned. I may also say—it may be a far-fetched view—but I think that the private wealth which any individual may accumulate in a State ultimately belongs to the nation as a whole. Therefore, the wealth that may accumulate in the hands of a company, Indian or English or Indo-Anglian will form part of our national wealth. You may in a bigger sense say that the railways do not cease to be national because private individuals own shares and run the railway. That is the view which we may take from the political aspect of the question. Again, Sir, I find it very difficult to understand why there should be opposition to the private owning of railways. I can quite understand the opposition to a dual system which has so far existed; I personally also am opposed to that system. But, at the same time, if it is possible to raise such a large amount of capital that we need, if it is possible to induce capitalists in England to come forward and the capitalists in India to join hands in taking up our railway enterprise, the State certainly would be well advised to decentralise by handing over the railway to one of these private companies. We have just heard the enormous debt of 800 crores which India now shoulders. The figures supplied to me by the courtesy of the Railway Department show that

these two railways, the Great Indian Peninsula and the East Indian Railways, are worth at least 300 crores. It is a very large figure to think of. But if it were possible to raise this amount by the sale of these two Railways, we could immediately pay off 300 crores, save the interest on these 300 crores and be in a position to lighten taxation. From the figures available, you can easily imagine that in income-tax alone the State will get nearly Rs. 1,10,00,000 from the East Indian Railway and from the Great Indian Peninsula Railway nearly 81 lakhs income-tax alone. If you hand over these Railways to private concerns, you save interest on 300 crores, and add an income of 2 crores from the income-tax, not a bad bargain from the tax-payers point of view. Then, Sir, taking the working of the Great Indian Peninsula Railway for 20 years, it has not been giving more than about 3% as profit less than the interest which the country has been paying. On the East Indian Railway, the profits have been larger, ranging in the neighbourhood of 8 per cent. but I suppose the average will be about 6 to 7 per cent. Even then, it would be an advantage to the State to have a permanent and assessed income rather than to depend on its own enterprise and management to earn it. I do not wish to detain the House very long over the figures. My object in moving this Resolution is twofold. In the first place, I wish this House to record that it has absolutely no opposition to the flow of foreign capital into the country.

THE HONOURABLE SIR MANECKJI DADABHOY : Will it flow in the present unhappy state of the political condition of the country ?

THE HONOURABLE SARDAR JOGENDRA SINGH : That is another matter.

THE HONOURABLE SIR MANECKJI DADABHOY : That is a very important matter.

THE HONOURABLE SARDAR JOGENDRA SINGH. In the second place, to show that we as a country and a nation are not opposed to private enterprise and that, if necessary, funds are forthcoming, we would welcome the idea of handing over the railways to a company that can properly finance the enterprise. These are the two objects with which I move the Resolution. As there has been a great deal of talk in the country about the nationalisation of the railways, I want to warn the country that in these difficult days, the country would be taking upon itself a very serious undertaking, in taking up these two large railways under State management. In the report of the Acworth Committee, the results of the State-managed railways and the Company-managed railways have been very clearly set forth, and if I have read the report aright, it seems to me that the balance is still in favour of Company-managed railways. In these circumstances, Sir, I put this Resolution to you and seek your support in putting this before the country that we, the Members of this Council of State, are not opposed either to the flow of capital into India or to the Company management of railways if sufficient finances can be found.

THE HONOURABLE SIR CHARLES INNES (Commerce Member) : Sir when I received notice of the Honourable Mr. Jogendra Singh's Resolution to use a popular expression. I wondered what he was at. I could not make

has now told the House that he had two objects in view. The first object is that he wishes this House to declare that it does not object to the flow of capital into India. Sir, I am perfectly sure that the House will entirely agree with the Honourable Member in that statement. But if the Honourable Member had wished this House to agree to that statement, I suggest that he would have been better advised if he had moved a Resolution in those exact terms instead of camouflaging that Resolution under a discussion of the relative merits of State and Company management. He also wishes this House to declare that it does not object to private enterprise. Well, Sir, I am sure that no House, no popular House, would object to private enterprises; we might as well ask them to say that they do not object to, say, economy. Sir, I propose to take the House back to the precise terms of Mr. Jogendra Singh's Resolution, and I should like to say that most of the sentiments expressed by Mr. Jogendra Singh were, in my opinion, absolutely unexceptionable. My only criticism of the Resolution is that I rather doubt whether at this particular period any useful purpose would be served by discussing in the abstract the question whether any particular railway should be transferred to Company management. Now, let me restate the position which Government have taken up in regard to this very thorny and vexed question. As the Council no doubt knows, we discussed it with the greatest care in connection with the Acworth Committee's Report. In the first place, everybody accepts the first proposition of the Acworth Committee, namely, that as the contracts of different companies fall in, the domicile should be brought to India. Everybody accepts that. We proceeded to discuss the question particularly in regard to the East Indian Railway and the Great Indian Peninsula Railway whether, when those contracts fell in, we should take the companies under State management or whether we should try to transfer them to a company.

Now, I may say at once that we in the Government of India, and I think I may say that many Members of the other House, when we discussed this question, saw all the dangers of and objections to State management. I wish to guard myself rather carefully in making that remark. As regards the State management in India at the present time, I am not prepared to admit that it is in any way inefficient. I am not prepared to admit that there is much difference in the matter of efficiency between our State-managed lines and our Company-managed lines. But the House has got to remember that the Railways in India are now governed by what, for the lack of a better term I may style a bureaucratic body, namely, the Railway Board. The dangers that I see in State management are the dangers that will inevitably arise as India becomes more and more democratised and as your popular Assembly exercises more and more influence and control over the management of railways. It is no use saying that in India the popular Assembly will not attempt to exercise that control. It is common experience that in all democratic countries the popular Assembly has interfered with the railway management, and it is also common experience that in all these democratic countries pure State management has been a failure. It has been the inevitable result that your railways have been a charge upon the State. In view of this experience the modern tendency in democratic countries is, as the Council no doubt saw in the telegram which appeared quite recently stating Sir William Acworth's view, to guard against those dangers by separating off the railway finance from the general

finance[and as far as possible getting your railways away from the interference of the popular Assembly. Now, that is the danger that we have always seen in regard to State management; and it was in view of that danger that two years ago we made strenuous efforts to try and devise a workable system by which we might get the benefits of real Company management for these two railways. We prepared, after careful thought and consideration, two alternative schemes. We circulated those schemes. One of the schemes was practically no more than the carrying on of the existing system of Company management. If there is anything that is perfectly clear from the Acworth Committee's Report it is this, Sir William Acworth was the great protagonist of Company management. He has also always condemned State management. But he came down in favour of State management in India because he did not regard the existing system of Company management as anything more than a very anæmic form of real Company management. One of our schemes was quite rightly condemned on that ground. The other scheme received an equally lukewarm reception and we had to admit that we had failed. We had to admit that we had failed to devise any scheme which would give us the benefit of real Company management in India. We had other considerations which weighed with us. In particular, the taking over under State management of these two big railways enabled us to carry out some very useful measures of grouping. We hope to be able to group the East Indian Railway and the Oudh and Rohilkhand Railway together to make them into one system in time, which will enable us not only to get a more coherent and more efficient service on these two railways but also, we hope, to reduce our overhead charges. Those are the two main reasons which influenced us in deciding last year that we should take over these two railways under State management. At the same time, in view of the dangers which I have already pointed out, I expressly stated in another place that we were anxious not to bolt the door against Company management in India. I made it clear that the kind of management that we had in view was real Company management, and I understand from my Honourable friend that he entirely agrees in that proposition. I also said in the other place that we would explore any possibility which might present itself in that direction. I wondered, Sir, when I saw the notice of the Honourable Member's Resolution whether he was trying to find out from me what we have done in that particular matter. I am very happy to tell the Council we have done nothing at all. In the first place, we have not yet taken over these two railways. We shall not take the East Indian Railway till the 1st of January next and we shall not take over the Great Indian Peninsula Railway till the 1st July next. Therefore, we have not been able to carry out, though we are making arrangements, those measures of grouping to which I have just referred. In the second place, we have been very busy on another line of advance. We have been working very hard for more than a year in the Railway Board to try and devise a workable method by separating railway finance from general finance. If our proposals are accepted by the Legislature, then I may say quite clearly that many of the objections which I have taken hitherto to State management will be, if not removed altogether, at any rate very greatly diminished. We hope, Sir, that, if these proposals are accepted, we should be able to make our railway finance more elastic and we hope that we shall be able to get rid of many of those objections which are

always taken to State management, namely, that it is too much bound down by red-tape and that it is too bureaucratic. The result is, Sir, that, as I have said, we have taken no action at all in regard to exploring the possibility of handing over either the East Indian Railway or the Great Indian Peninsula Railway to a private company. I think, Sir, that the Council on reflection will see that it will be an extremely difficult business to hand over either of these two railways to a real company in India. Just let me take the East Indian Railway. The capital of the East Indian Railway amounts approximately to a hundred crores of rupees. If we group the Oudh and Rohilkhand Railway with the East Indian Railway, then the capital of the two systems combined will amount to something between 125 and 130 crores of rupees. Sir, the East Indian Railway goes through the richest part of India and it is the most paying line of India. It has paid on an average, with the exception of the last two or three years, something like 8 per cent. If we had to capitalise that concern for the purpose of handing it over to some private undertaking, we should have to capitalise it with something like 150 crores of rupees. Sir, that is a very large sum. It is possible to say that we might be able to arrive at some arrangement by which Government would take half in the form of debentures. That would leave a share capital of something like 75 crores of rupees. Possibly Government—I am simply discussing a sort of scheme that might be put up—shares to the extent of, say, 50 crores of rupees. Even that would necessitate raising from the public 25 crores of rupees in the shape of share capital. The House will see that it will be an extremely difficult matter at the present time to raise 25 crores of rupees in share capital in India. It would also be extremely difficult to show that it would pay the country, at any rate for some time to come, to hand over those concerns to a private company. Those are the difficulties which have always faced the Government. We have not tried to deal with the matter as a purely abstract question. I do not wish to discuss *in vacuo* the relative merits of State and private management. I myself hold theoretically that there is no doubt about the question, theoretically there is no doubt that railways ought to be managed by the State, because they render such extremely important service to the public. In actual practice, however, State management has always been inefficient management, and no one will quarrel with the Honourable Sardar Jogendra Singh's statement that generally speaking real company management is more efficient than State management. But as I say you have to bring this question down to real practical issues. Is it practical, is it possible, that any one should float a company of that kind at the present time? Then we would have to examine other questions, as for instance whether it is going to be of actual advantage to the State that such a thing should be done. Therefore my criticism of the Honourable Sardar Jogendra Singh's Resolution is that he has not carried the matter any further than it was when I left the subject in March 1923 in the other House. It seems to me that it would be rather doubtful whether it would be useful for this Council to express an opinion upon the abstract question raised by the Honourable Sardar Jogendra Singh. If the Honourable Sardar Jogendra Singh's object is merely to ascertain what action we have taken in regard to this matter, well his object has been served, and he will no doubt consider the advisability of withdrawing his Resolution; but if he wishes to put it to this House as an abstract question, whether State or private management is better for India, the

Government will be extremely interested in the decision of the House ; but Government do not propose to take part in the division.

THE HONOURABLE SARDAR JOGENDRA SINGH: Sir, I am deeply indebted to the Honourable Commerce Member for the statement that he has made. He has shown us the difficulties that are in the way of coming to direct grips with the problem. He has been trying to explore for the last year some way of separating railway finance from general finance. If I may say so, I am in entire sympathy with the separation of railway finance from general finance.

He has also told us that under the present conditions it is impossible to raise the required capital, and that really clinches the problem. Unless the money can be raised, it would be useless to talk of Company management at the present juncture. If I am not wrong, and reading between the lines, I can see that the Commerce Member would welcome Company management if it were possible to raise the necessary capital. But since the necessary capital is not available, we have no other alternative but to adhere to the decision that has already been arrived at. In speaking of Company management and State management, he certainly laid great emphasis on State management being as efficient as Company management. I never questioned that. What I wish even now to go on the record is whether State management would be as efficient in profit earning and providing the same facilities for travelling which Company management provides.

Sir Deva Prasad Sarvadhikary in his remarks said that Company management will continue even under the changed conditions. This I have not been able to understand. How will Company management of a railway continue after the Government have taken it over ? Then again, Sir, as the Commerce Member pointed out, it is really a question of practical politics, whether the capital can be raised, and since the capital cannot be raised, I would not like to go into the question any further. My purpose has been served in getting the statement the Commerce Member has made, in pointing out that India would welcome the free flow of capital, and if not to-day, in future, India may find that Company management is to its advantage more than State management. I will ask the permission of this Council to withdraw the Resolution.

THE HONOURABLE THE PRESIDENT: The motion before the Council is :

"That this Council recommends to the Governor General in Council that he may be pleased to allow a private company to purchase the East Indian Railway or the Great Indian Peninsula Railway outright."

The motion was negatived.

PART III.

QUESTIONS AND ANSWERS.

A.—Constitutional.

NEW LEGISLATIVE RULES.

***Mr. K. C. Neogy** : 1. (a) Will Government be pleased to state the circumstances that prompted the making of the new legislative rules under the Government of India Act, promulgated in the Gazette of India Extraordinary dated the 21st July 1924 ?

(b) When did the question of the desirability of adding these rules (1) for the Indian Legislative Assembly, and (2) for the Provincial Councils, respectively, first come up for the consideration of Government ?

2. (a) Did Government consider the desirability of consulting the Indian Legislature before adding the aforesaid rules ?

(b) If so, what were the reasons for their decision not to consult the Indian Legislature in this particular instance ?

The Honourable Sir Alexander Muddiman : 1. (a) and (b). As the Honourable Member is doubtless aware, a temporary injunction was granted by the Calcutta High Court on the 7th July against the President of the Bengal Legislative Council, including in that term the Deputy President and the panel Chairman, restraining them from putting a motion relating to a supplementary grant before the Bengal Legislative Council pending the final determination of a suit which had been filed in that Court. In the course of his order directing the issue of the injunction Mr. Justice Ghosh held that the motion could not be presented to the Council because of the provisions of rule 32 of the Bengal Legislative Council Rules. It will be remembered that the Joint Select Committee in their remarks on clause 11 of the Bill of 1919 suggested that the Governor would be justified, if so advised by his Ministers, when a Council had altered the provision for a transferred subject, in resubmitting a provision to the Council for a review of their former decision. The Joint Committee intimated that they did not apprehend that any statutory prescription to that effect was required. As stated by the Secretary of State in the House of Lords on the 21st July, 1924, the Government of India and the Secretary of State agreed in thinking that the rules referred to did not in fact preclude such a motion as was proposed to be moved by the Government of Bengal. In view however of the opinion expressed by the learned Judge of the Calcutta High Court and of the fact that the Government of India understood that a similar motion was proposed to be moved in the Bombay Legislative Council, which was due to meet on the 21st July, the Government of India considered that it was desirable *ex majori cautela* to amend the rule. They accordingly

made the necessary recommendations in regard to the Indian Legislative Rules and the Legislative Council Rules of each province. Their recommendations were sanctioned by the Secretary of State in Council and amendments to remove all doubts as to the meaning of the rules were made on the 19th July and published on the 21st July. I would merely add that Mr. Justice Ghosh in directing the issue of the injunction concluded his order by expressing the opinion that the rules required revision in the light of the events in the case before him.

2. (a) and (b). The Indian Legislature was not sitting at the time and the Government of India accordingly did not consider the question of consulting the Legislature before making the amendments in question.

Mr. K. C. Neogy : Did the Government consult the Law Officers of the Crown with regard to the various points arising out of the judgment of Mr. Justice Ghosh before taking this action ?

The Honourable Sir Alexander Muddiman : Does the Honourable Member mean the Law Officer of the Crown at Home ?

Mr. K. C. Neogy : Yes.

The Honourable Sir Alexander Muddiman : No, Sir.

Mr. Amar Nath Dutt : Is it not a fact that a Member of this House was a plaintiff in the suit in the Calcutta High Court ?

The Honourable Sir Alexander Muddiman : I was not aware of it.

Mr. A. Rangaswami Iyengar : May I know, Sir, why the Government should have thought fit to make rules in regard to the resubmission of grants when they are rejected by the Legislative Assembly without consulting the Indian Legislature and without having regard to the fact that, so far as grants in this House are concerned, no question of the Government being bound by any vote of this House arises inasmuch as the Governor General can restore grants pertaining to all Departments unlike Governors in Provinces ?

The Honourable Sir Alexander Muddiman : The question is rather a long one ; but as regards the first point I made it clear in my answer that the reason why the Legislature was not consulted was that the Legislature was not then sitting.

Mr. A. Rangaswami Iyengar : May I know, Sir, whether the Government have now in contemplation the bringing up here again for another vote of the Assembly any grant which has already been refused by the Assembly—a position in which the enactment and operation of the Rules may be found necessary ?

Mr. K. Ahmed : Has it not produced the beneficial effect, Sir, as far as the revenue of Bengal is concerned, by the passing of the new legislative rules and getting rid of all the barristers, counsel and attorneys who were engaged in this case unnecessarily, and thereby saving a great amount of money of the general revenue after all ?

Mr. Devaki Prasad Sinha : Are the Government aware that the remarks mentioned by the Honourable Member as occurring in the judgment of Mr. Justice Ghosh referred only to facilities for the administration and carrying on of the business of the Legislative Council and left untouched entirely the right of a private citizen and taxpayer

to sue the Legislative Council when a decision of the President went wrong ?

The Honourable Sir Alexander Muddiman : I am glad to hear it. I personally should never desire to take away the ordinary right of a private citizen to sue if he has a right of action.

Dr. H. S. Gour : Sir, what I should like to ask the Honourable the Home Member is this. Is it not a fact that the existing rules relating to the supplementary grants both in the Central and Local Legislatures were drawn up to be in conformity with the constitutional practice as obtaining in the House of Commons and whether the amendment of the rules now made by the Government of India is not a departure from that constitutional practice ?

The Honourable Sir Alexander Muddiman : I am not prepared to say what the constitutional practice in the House of Commons is, but Government have amended the rules because they desired to bring them into conformity with what was undoubtedly the intention of the Joint Select Committee.

Diwan Bahadur M. Ramachandra Rao : Sir, may I ask the Honourable the Leader of the House whether he is prepared to give an assurance to this House that in future before the rules are amended this House will be consulted whether it is sitting or whether it has to be assembled for the purpose ?

The Honourable Sir Alexander Muddiman : Certainly not, Sir. I am not prepared to give any assurance of the kind. The occurrence of this case proves the necessity of the Government at any rate retaining the power to alter these rules without consulting this House. What has been done in this case ? An immediate matter was pending before the Bombay Council and a recommendation had been made. Could we get the House together then ? I do not think so.

Diwan Bahadur M. Ramachandra Rao : May I suggest to the Honourable Member that, so far as this House is concerned, there is no urgent necessity to amend the rules before consulting the House.

The Honourable Sir Alexander Muddiman : If you are amending the rules of one Council, you must amend the rules of the others.

Diwan Bahadur M. Ramachandra Rao : You might have done exactly the same after this House had been consulted, so far as this House is concerned, leaving Bengal and Bombay alone.

AMENDMENTS MADE IN THE INDIAN LEGISLATIVE RULES.

***Mr. A. Rangaswami Iyengar :** With reference to the Legislative Department Notification No. F-112/24-G. of 14th August 1924, published in the Gazette of India of 16th instant will the Government be pleased to state :

- (1) Why the amendments made in the Indian Legislative Rules in March last have been superseded by the present Rules ?
- (2) In what respects the new procedure for re-introduction of motions of legislative measures notwithstanding the previous rejection or postponement thereof by dilatory motions carried by the Assembly, differs from the earlier procedure adopted for the same purpose in March last ?

- (3) Whether any difference has been observed by the Government in principle or method as between the re-introduction of rejected or postponed motions or legislative measures and of rejected or postponed motions on grants in the Assembly and in the Provincial Legislative Councils in the several series of amendments to the Legislative Rules published in Extraordinary Gazette of India since March last ?
- (4) In what order were the rules laid before the Houses of Parliament under section 129-A. of the Government of India Act and whether the Parliament was notified of the supersession of the earlier amendments by the later amendments and of the reasons therefor.

Sir Henry Moncrieff Smith : (1) The principal considerations which dictated the revision of the rules made in March last were the following :

- (a) Rule 20A in its original form implied on the face of it that in cases not governed by the rule, it was not open to the Member in charge of a Government Bill to defer moving that the Bill be passed, and also that in such cases it was open to a Member other than the Member in charge to move this motion. The Government of India attached importance to the removal of this implication, and the revised rule, which it may be observed does no more than crystallise established practice, already recognised to some extent in the Standing Orders, has accordingly been drawn in general terms.
- (b) The substitution of existing rule 36A for original rules 36A and 36B effected the following objects :

First, the elimination of the provision for an announcement by the Member in charge that Government proposed to move the Governor General to exercise his personal powers under section 67B of the Government of India Act. This alteration can hardly have taken the Honourable Member by surprise, if he recollects my reply to a question on the subject put by Mr. Neegy on the 13th March last ;

Secondly, the substitution of the formal making of a recommendation by the Governor General as the act involving the withdrawal of a Bill in respect of which a dilatory motion has been carried ;

Thirdly, the removal of an unnecessary difference of procedure in the case of Bills in respect of which a dilatory motion has been carried, and Bills which the Chamber refuses to take into consideration, refer to Select Committee, or pass.

(2) The original and revised rules are available for the perusal of the Honourable Member, who can draw his own conclusions. The principal differences have been indicated in the reply to (1).

(3) While it is true that the sets of rules to which the Honourable Member refers both involve a departure from the ordinary rule against

repetition of motions, they are in no sense *in pari materia*, and the Government of India are of opinion that no question of difference of principle or method arises.

(4) The concern of the Government of India terminated with the formal report by them to the Secretary of State of the various notifications amending the Indian Legislative and Provincial Legislative Rules. They have no knowledge of the procedure which the Secretary of State has followed or will follow in complying with the requirements imposed by section 129A of the Government of India Act.

Mr. A. Rangaswami Iyengar : May I know, Sir, what the reason was which induced the Government to eliminate the provision to announce in this Assembly that it was intended to move the Governor General to exercise his certification powers ?

Sir Henry Moncrieff Smith : I would ask the Honourable Member to look up the Legislative Assembly debates of the 19th March, to which my answer refers.

Mr. A. Rangaswami Iyengar : May I know whether, as far as I am able to understand the answer to the question put by Mr. Neogy, on that occasion, it is intended to suggest that these changes are merely intended to eliminate the announcement of the moving by the Government of India of the Governor General to exercise his power, or whether it is intended to suggest that the Government do not intend to act in the matter of moving the Governor General ?

Sir Henry Moncrieff Smith : That was one of the reasons, but if the Honourable Member had followed my answer carefully he would have seen that there were other reasons also. I would suggest that, before he asks any further supplementary questions on that point, he should read the answer which I have just given and of which I will supply him a copy immediately.

AMENDMENT OF THE RULES REGARDING ADDITIONAL OR SUPPLEMENTARY GRANTS.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY :
(a) Would the Government please state the reasons for, and circumstances in, which amendment was made of the rules concerning Legislative Assembly and Provincial Legislative Councils regarding additional or supplementary grants ?

(b) Would the Government please state whether proposals for such amendment and the reasons therefor were laid before the Reforms Inquiry Committee ? If not, why not ?

(c) Would the Government please state whether the Law Officers of the Government in India and England (including the Advocate General of Bengal) were consulted about such amendment ? If so, when ?

(d) Would the Government please lay on the table the papers and correspondence relating to such amendment ?

THE HONOURABLE MR. J. CRERAR : (a) As the Honourable Member is doubtless aware a temporary injunction was granted by the Calcutta High

Court on the 7th July against the President of the Bengal Legislative Council, including in that term the Deputy President and the Panel Chairman, restraining them from putting a motion relating to a supplementary grant before the Bengal Legislative Council pending the final determination of a suit which had been filed in that Court. In the course of his order directing the issue of the injunction Mr. Justice Ghosh held that the motion could not be presented to Council because of the provisions of rule 32 of the Bengal Legislative Council Rules. It will be remembered that the Joint Select Committee of Parliament in their remarks on clause 11 of the Bill of 1919 suggested that the Governor would be justified, if so advised by his Ministers, when a Council had altered the provision for a transferred subject in resubmitting a provision to the Council for a review of their former decision. The Joint Committee intimated that they did not apprehend that any statutory prescription to that effect was required. As stated by the Secretary of State in the House of Lords on the 21st July, 1924, the Government of India and the Secretary of State agreed in thinking that the rules referred to did not in fact preclude such a motion as was proposed to be moved by the Government of Bengal. In view, however, of the opinion expressed by the learned Judge of the Calcutta High Court and of the fact that the Government of India understood that a similar motion was proposed to be moved in the Bombay Legislative Council, which was due to meet on the 21st July, the Government of India considered that it was desirable *ex majore cautela* to amend the rule. They accordingly made the necessary recommendations in regard to the Indian Legislative Rules and the Legislative Council Rules of each province. Their recommendations were sanctioned by the Secretary of State in Council, and amendments to remove all doubts as to the meaning of the rules were made on the 19th July and published on the 21st July. I would merely add that Mr. Justice Ghosh in directing the issue of the injunction concluded his order by expressing the opinion that the rules required revision in the light of the events in the case before him.

(b) The Reforms Inquiry Committee was not sitting at the time, and the proposals for the amendment and the reasons therefor were accordingly not laid before that Committee.

(c) The Government of India do not know whether the Law Officers of the Crown were consulted in England at the time. They did not themselves consult the Advocate General of Bengal.

(d) Government are not prepared to lay the correspondence on the table.

THE HONOURABLE MR. S. VEDAMURTI: Were these rules placed on the table of the House of Commons when they were brought into operation?

THE HONOURABLE MR. J. CRERAR: That is not a matter within my cognizance.

----- LORD OLIVIER'S STATEMENT IN THE HOUSE OF LORDS REGARDING REFORMS IN INDIA.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY:

(a) Has the attention of the Governor General in Council been called to the

statement of the Right Honourable Lord Olivier in the House of Lords that "His Majesty's Government recognised the only possibility that the result of the inquiry might impose on them was the duty of coming to a conclusion with regard to whether or not steps should be taken to re-examine the constitutional position. That would be the position only if it were proved to the satisfaction of the Government of India that there were certain defects or legitimate grounds for complaint in the operation of the reforms that could not be redressed within the Act without some revision of its provisions" ?

(b) Do Government propose to make a representation to the Right Honourable the Secretary of State that such a pronouncement, before the Reforms Inquiry Committee completes its labours, is likely to prejudice them ?

THE HONOURABLE MR. J. CRERAR: (a) The Honourable Member has not quoted the Secretary of State correctly. What he said in his speech in the House of Lords on the 21st July was:—

"The proposal of the Swaraj Party in the Assembly, as I have quoted, was on the basis that they, the representatives of the Indian people, are entitled to draft and prescribe their own constitution and to have a round table conference for the purpose. A proposal that was mooted in the other House was that a Royal Commission should be sent out to investigate the constitutional situation. There may be other alternatives, but on none of those alternatives have His Majesty's Government come to any conclusion. They only recognise, and they cannot fail to recognise, that it is just possible that the result of this inquiry may impose upon them the duty of coming to such a conclusion—that is to say as to whether some steps should or should not be taken to re-examine the constitutional position. That will be the position if, and only if, it is proved to the satisfaction of the Government of India that there are certain defects, certain legitimate grounds for complaint in the operations of the Montagu-Chelmsford Reforms that cannot be redressed within the four corners of the Act without some revision of its provisions. That, I hope, is a satisfactory explanation of the position of His Majesty's Government. We are at present conducting a judicial inquiry in order that we may have evidence as to the operation of the Government of India Act. Until we have that evidence and the judgment of the Government of India upon it, we can come to no decision ourselves as to whether the Government of India Act is operating well or not and we cannot possibly come to any position as to what further steps shall be taken as a result of that inquiry."

(b) In view of the terms of the Secretary of State's announcement the question of making a representation to the Secretary of State in this connection does not arise.

LORD OLIVIER'S SPEECH IN THE HOUSE OF LORDS REGARDING THE ALLEGED PURCHASE OF VOTES BY THE SWARAJ PARTY IN BENGAL.

*Sardar V. N. Mutalik : Will Government be pleased to state :

- (a) whether it is a fact that the Secretary of State stated in the House of Lords, as is reported in the papers, that the Swaraj Party organized the purchase of votes for the purpose of procuring a majority of votes to embarrass Government ?
- (b) the extract from the speech which contains this statement ?
- (c) whether the purchase of votes is meant to apply to the Party's system of work within the Councils and the Assembly or at the time of the elections ? And if within the Councils or the Assembly, will Government be pleased to state the grounds or reasons on which the statement was based ?

- (d) whether this Government sent any despatch to the Secretary of State supplying any information on this point, and if so, will Government be pleased to place on the table a copy of the extract from the despatch supplying this information ?

The Honourable Sir Alexander Muddiman : (a) and (b). The Secretary of State did make statements of this character in his speech in the House of Lords on the 21st July. I will quote for the Honourable Member's information two extracts from the official report of the speech.

- (i) Referring to the Bengal Legislative Council he said :

" In that Assembly the Swaraj Party not being able actually to lead or to procure a majority of votes for the purpose of embarrassing the Government, organised the purchase for cash of the requisite balances either of votes or abstentions, to enable them to win the narrow divisions which they did. This fact is notorious."

- (ii) Again he said :

" Such demonstrations as have been made in the Bengal Legislature, in so far as they are procured by methods of corruption or intimidation, not only are not demonstrations of popular will but are demonstrations of the fact that Legislators who are so influenced have no will at all of their own, except a will to profit, and that any number of such politicians may be disregarded with complete equanimity as representing no kind of power. The significance and importance of a vote in a Parliamentary election, or in a Parliament rest only upon the will or spirit in which it is given. If it is given on account of bribery or on account of fear those who are responsible for, and who are entrusted with the power to carry on, the King's Government, know very well that they have no real force whatever to contend with, but only something which can be bought or frightened."

(c) and (d). The extracts which I have quoted indicate clearly that the Secretary of State was referring to what he understood to have been the method of working adopted by the Swarajist Party in the Bengal Legislative Council. The Government of India are unable to say definitely where the Secretary of State obtained the information upon which he based his speech. They understand, however, that it has been freely stated in the public press that there was organised corruption. It may be that the Secretary of State's announcement was based upon private information. In any case the Government of India have not themselves supplied any information which could have formed the basis of the Secretary of State's remarks. They did, however, forward to him a letter from the Government of Bengal in which the following passage occurred :

" The Indian supporters of Government were also subjected to continuous pressure from the Swarajist Members to abstain from voting for Government. The Swarajist Party funds were freely spent in this manner. One Muhammadan supporter of Government complained to the officials of the Council that he had been offered Rs. 3,000 to abstain from the division on the grant for Ministers' salaries and it has been stated on reliable authority that Rs. 40,000 were expended from Swarajist Party funds during the session in bribing Government supporters in this way."

That was the only reference to this matter in the letter in question.

Pandit Motilal Nehru : Are the Government of India prepared to prosecute these persons against whom charges of bribery and corruption have been made or to hold a public inquiry generally into this matter ?

The Honourable Sir Alexander Muddiman : Does the Honourable Member refer to these particular allegations I have got here ? It would not be I think for the Government of India to initiate a prosecution ; it is a matter for the Bengal Government to consider.

Mr. Jamnadas M. Mehta : Will you instruct them to do so ?

The Honourable Sir Alexander Muddiman : No, Sir.

Mr. Jamnadas M. Mehta : Do you not regard the matter as of sufficient importance ?

The Honourable Sir Alexander Muddiman : I regard it as of very great importance and I am making inquiries as to the law. I am perfectly willing to forward to the Government of Bengal copy of the questions and answers in this House and invite their attention to the points raised in them. It is not for the Government of India to instruct the Bengal Government to institute a prosecution.

B.—Services.

BASIS OF THE RECRUITMENT CALCULATION SUPPLIED TO THE LEE COMMISSION.

***Mr. A. Rangaswami Iyengar :** (a) Will the Government be pleased to lay on the table the calculations which were supplied to the Royal Commission on the Superior Civil Services referred to in paragraph 35 of their Report which would enable recruitment on the scale recommended by them of Indians and Europeans and produce a 50 to 50 cadre in about fifteen years ; and

(b) Will the Government be pleased to explain on what basis it has been assumed that there would be a future rate of retirement amongst officers, of not less than 10 per cent above the normal ; and will the Government also lay on the table of the House all the information upon which this assumption and the calculations referred to have been made ?

The Honourable Sir Alexander Muddiman : The calculations referred to were not supplied by the Government of India to the Royal Commission and have not been communicated to the Government of India by the Royal Commission. The Government of India, however, have subsequently examined the question for themselves. Calculating on the basis of the number of officers now in the Indian Civil Service and the normal rate of retirement to be expected, it may be anticipated that 738 European officers out of a total of 1,111 will have retired after 15 years, leaving 373 still serving of those now in the Service. The full number of European recruits required on the proposals of the Lee Commission is about 22 annually, which would mean 330 in 15 years. But it is evident that this year we shall be about 15 short in European recruitment. Therefore assuming that in future our requirements are met in full we shall get about 315 recruits in 15 years. Some of these will become casualties, and the addition to our European strength at the end of 15 years would not be much above 300. Adding this to the 373 officers still expected to be serving, the total European strength after 15 years appears likely to be about 675 out of a sanctioned strength of 1350 or exactly one half. This, however, makes no allowance for the rate of retirement above the normal. It appears to the Government of India on the whole that the Royal Commission have understated rather than overstated the rapidity in the process of Indianization in the Indian Civil Service to be anticipated from their recommendations. The reference by the Commission to a rate of retirement 10 per cent. above the normal is understood by the Government of India to mean that

instead of taking the normal rate of decrease of about 4 per cent. annually, they would have assumed a rate of about 4.4 per cent.

Mr. A. Rangaswami Iyengar : Are the Government of India in a position to state as to whether the assumption of retirements of 10 per cent. above the normal includes retirements which might take place on political grounds ?

The Honourable Sir Alexander Muddiman : I think it is assumed to deal with the possibility of short recruitment.

C.—Military.

RESOLUTIONS OF THE ASSEMBLY ON THE ESHER COMMITTEE'S REPORT.

***Sir P. S. Sivaswamy Aiyer :** With reference to my Resolution moved on the 4th of July 1923, regarding certain Resolutions of the Assembly on the Esher Committee's Report, will the Government be pleased to state whether the Secretary of State has since passed any orders accepting these Resolutions, and, if not, what steps have been taken by the Government of India to urge the points on the Secretary of State ?

Mr. E. Burdon : The answer to this question is very long and very obscure unless it is read with the replies to previous questions, which are quoted, and with your permission I will lay it on the table.

The contents of the four earlier Resolutions, which formed the subject of the Honourable Member's Resolution referred to in the present question were analysed in the statement which was laid on the table of this House on the 2nd July 1923 in reply to starred question No. 55. I will deal *seriatim* with the items mentioned in that statement.

Items 1 and 7.—A further representation has been addressed to the Secretary of State on the subject of the admission of Indians to the commissioned ranks of the Royal Artillery, Royal Engineers, and the Royal Air Force, and on the subject of increasing the number of King's commission in the army granted annually to Indians. The question of the measures to be adopted for the recruitment and training of Indians as officers of the Royal Indian Marine was examined by the Indian Mercantile Marine Committee, whose report is at present under the consideration of the Government of India.

Items 2 to 6.—No further action of a specific character and no further reference to the Secretary of State are required in regard to those items.

Item 8.—No further action of a specific character is at present required in regard to this item.

Items 9 and 10.—The position remains unaltered.

Item 11.—A Committee has been appointed under a Resolution of this House to inquire into the question of improving the organization of the Territorial Force.

Item 12.—Effect has been given to this recommendation.

Item 13 —There is nothing to add to the information previously given, and I think my Honourable friend is fully acquainted with the present position. I may perhaps invite his attention to the reply given on the 1st February 1924 to starred question No. 40.

Items 14 and 15.—The position remains unaltered.

GRANT OF KING'S COMMISSIONS TO CADETS OF THE MILITARY TRAINING SCHOOLS AT INDORE AND WELLINGTON, RESPECTIVELY.

***Sir P. S. Sivaswamy Aiyer** : 1. Will the Government be pleased to state :

- (a) The number of Indian cadets who were admitted to the Military Training School at Indore in the year 1918, and the dates on which their training commenced and closed ?
- (b) How many of these cadets were granted probationary King's Commissions, and whether their commissions were granted on the 1st December 1919 ?
- (c) Whether these cadets were informed that on their passing their probation satisfactorily, they would be given permanent King's Commissions, not from the date of their probationary appointment but from some subsequent date ?
- (d) Whether the Indian cadets who were appointed on probation, have all been now granted permanent King's Commissions, and if so, only with effect from the 16th July 1920, and not from 1st December 1919, when their probationary commissions were issued, thus causing them loss of service, and seniority, by a period of 7½ months ?
- (e) Whether the British cadets whose training at the Wellington Training School commenced in January 1919, were granted permanent King's Commissions with effect from the 29th January 1920 ?
- (f) Whether the military training undergone by the Wellington cadets in Britain, commenced before the military training of the July batch of the Sandhurst cadets of 1918 ?
- (g) Whether notwithstanding the fact, that even the British training of the Wellington cadets commenced subsequent to that of the Sandhurst cadets, they were granted permanent King's Commissions with effect from the 29th January 1920, the date of their probationary appointment, in seniority to the Sandhurst cadets of July 1918 by 5½ months ?
- (h) Whether there is any reason for the apparent inequality of treatment between the Wellington and Indore cadets, and for refusing to grant permanent King's Commission to the Indore cadets with effect from the 1st December 1919 ?

Mr. E. Burdon : As the answer to this question is rather long and unless read with replies previously given to other questions is obscure, with your permission, Sir, I will lay it on the table.

(a) 42 Indian cadets were admitted to the Military Training School at Indore in 1918. These cadets commenced their training on the 15th October 1918 and the period of training lasted for 12 months.

(b) 39 were granted probationary King's Commissions with effect from the 1st December 1919. 3 failed to qualify.

(c) The Government of India have no information on the point.

(d) 33 of the Indian cadets who were appointed on probation were subsequently granted King's Commissions with effect from the 17th July 1920. As regards the other 6, one died, 2 were found unsuitable and 3 resigned.

(e) The answer is in the affirmative.

(f) No. The military training which was undergone by the Wellington cadets in Britain commenced on the 20th September 1918, while that of the July 1918 batch of Sandhurst cadets commenced on the 10th September 1918.

(g) The Wellington cadets were not given seniority over all the Sandhurst cadets referred to by the Honourable Member for 70 per cent. of Sandhurst cadets were commissioned with effect from the 17th December 1919 and 30 per cent. were commissioned with effect from the 16th July 1920. The Government of India are not aware of the reasons which led to the extension of the period of training in respect of this 30 per cent. of the July 1918 batch of Sandhurst cadets.

(h) The attention of the Honourable Member is invited to the reply given on the 22nd February 1922 to question No. 196.

REVISION OF PAY OF BRITISH MILITARY OFFICERS.

*Sir P. S. Sivaswamy Aiyer : Will the Government be pleased to state :

(a) whether any scheme for the revision of the pay of British Officers in the Indian Army and British Officers of the British Army serving in India has been submitted to the Secretary of State ;

(b) if so, when the proposals involved in the said scheme were started and whether these proposals or any of them came under the scrutiny or notice of the Retrenchment Committee in 1923 with reference to the existing and expected expenditure of the Government in the Military Department and the prospective scheme of retrenchment recommended by them ;

(c) whether the scheme will be placed on the table of the House or a statement will be made to the House of its main features with particular reference to the financial burdens and results thereby involved ;

(d) whether it is a fact, as the " London Times " Simla correspondent has stated in its issue of the 11th July last, that the scheme " is designed to improve the lot of the married officer though it will reduce the pay of the unmarried commissioned ranks " ;

(e) whether the attention of the Government has been drawn to the question put in the House of Commons by Lady Astor on the 15th July last and the supplemental questions thereon

and the reply of the Under Secretary Richards to the effect that the decision of the India Office to apply 5½ per cent. reduction to the whole pay of the officers of the Indian Army was being reconsidered and that in any case the revised rates of pay would date from July 1st ;

- (f) whether any provision has been made for the purpose in the current year's Budget, and if so, under what head ;
- (g) if not, whether any part of this expenditure is votable and whether any demand will be moved for a supplemental or excess grant under any head thereof to enable the House to discuss the scheme ?

Mr. E. Burdon : (a) Yes.

(b) Consideration of the matter was initiated in November 1923, that is, after the Retrenchment Committee had submitted their Report.

(c) It is not proposed to lay on the table a copy of the scheme in its present form, and Government are not at present in a position to make to the House any more detailed statement on the subject than that which I will now give. The existing rates of pay of King's commissioned officers of the Army in India were adopted for a period of 5 years in 1919 ; and under the announcement made in Army Instruction (India) No. 914 of 1919, which followed a similar announcement made in the United Kingdom, these rates of pay were due to be revised in 1924 with reference to the cost of living. I invite the attention of the Honourable Member in this connection to the observations in paragraph 3 *et seq* on pages 281-282 of the Indian Retrenchment Committee's Report. It is in compliance with the undertaking which I have mentioned that the rates of pay of Army officers have been reviewed. While doing this the opportunity has been taken of considering whether it is not desirable to introduce in India the differentiation between the pay of single and married officers which was adopted in the United Kingdom in 1919, and also of considering the possibility of removing certain anomalies which have come to light in the experience of the past 5 years. The whole matter is still under discussion between the Government of India and the Secretary of State, and no final conclusion has yet been reached.

(d) It is a feature of the scheme which has so far been framed that the married officer should receive an allowance which would not be given to the single officer, and that in this way the unmarried officer should receive less emoluments than the married officer.

(e) Government have seen reports of the questions and answers in the House of Commons referred to by the Honourable Member.

(f) While no specific provision was made for the purpose in the current year's budget, it is not anticipated that the scheme which has so far been framed would if accepted involve any excess over the total of the Army Estimates for the year.

(g) The expenditure is not votable, and as already stated, no supplementary grant would be involved but an opportunity for discussion in the Assembly would no doubt arise in connection with the revised budget for 1924-25 and the original budget for 1925-26.

D.—Financial.**PUBLIC SUBSCRIPTIONS TO THE GOVERNMENT OF INDIA LOAN.****INCREASE IN THE BANK RATE.****STRINGENCY OF THE INDIAN MONEY MARKET.**

Sir Purshotamdas Thakurdas : 1. What is the total amount of the Government of India loan subscribed this year by the public ?

2. Is it a fact that the Bank Rate was increased by 1 per cent. to 5 per cent. in the third week of August last ?

3. Will Government name similar precedents in the last 25 years when the Bank Rate had to be put up in the month of August ?

4. Are Government aware that the money market in India is tighter at present than in corresponding periods of normal years ?

The Honourable Sir Basil Blackett : (1) The amount subscribed by the public to the Government of India Rupee Loan this year was Rs. 13,20,77,200.

(2) The Imperial Bank of India raised its rate from 4 per cent. to 5 per cent. in the third week of August 1924.

(3) The bank rate was raised in 1906 and 1913 by the Bank of Bengal from 4 per cent. to 5 per cent. during August, from 3 per cent to 5 per cent. and from 4 per cent. to 6 per cent. by the Bank of Bengal and the Bank of Bombay, respectively, in 1914 while in 1915 to 1921 inclusive the bank rate was 5 per cent. or over throughout August except that in the case of the Bank of Bombay it was raised from 4 per cent. to 5 per cent. in the middle of August 1916.

(4) On the whole I think it is true to say that the money market in India is more stringent at the moment than usual at this time of the year.

Sardar V. N. Mutalik : How far is the Government loan responsible for this increase in the bank rate ?

The Honourable Sir Basil Blackett : I would ask that the rest of the questions might be put, because the answers to most of these supplementary questions will probably be found in the answers to the original questions.

Sardar V. N. Mutalik : I suppose I shall have an opportunity to put supplementary questions afterwards on all questions.

STRINGENCY OF THE MONEY MARKET.**FIXING OF A NEW GOLD RATIO FOR THE RUPEE.****REVISION OF THE PRESENT CURRENCY POLICY OF GOVERNMENT.**

Sir Purshotamdas Thakurdas :

5. In view of the satisfactory state of the currency, will Government be pleased to explain the scarcity of money that was perceived last season
this year ?

6. Are Government aware that apprehensions are widely entertained that unless the Government of India change their policy followed till now and arrange for automatic expansion of the country's currency, the tightness of the money market may increase seriously and affect the marketing of the crops of India during the next six months?

7. Will Government be pleased to state their policy regarding provision of adequate currency in case of the apprehensions stated in question (6) above prevailing?

8. Will Government be pleased to state when they expect—

(a) to take steps themselves to change the ratio in the Statute, or

(b) to give necessary facility for, and support to, a non-official Member suggesting a change from the two shilling ratio?

9. (a) Has the attention of Government been drawn to a telegram from London printed in the *Bombay Chronicle* of the 27th August last, wherein it is stated that Lord Meston and Sir James Wilson stated last month that it is of great importance to the trade of India and the welfare of the population that the value in gold of the rupee should be stabilised? Are Government aware that it is further stated by these authorities with considerable experience of Indian Finance that now that the rupee is again worth $\frac{1}{15}$ of the gold in a sovereign, it will require no great effort to stabilise it at that rate?

(b) Has the attention of Government been drawn to the issue of the *Financial News* of London which says that the continuance of the two shillings ratio on the Statute-book has brought India's trade and industry to the verge of bankruptcy?

10. Are Government prepared to consider the question of appointing a Committee in India with a majority of Indians to revise the present currency policy of the Government of India with special reference to provision of adequate currency and other cognate details?

The Honourable Sir Basil Blackett: I propose to give a separate answer to question No. 9. In reply to the remainder of the questions, I think it will be more useful to make a general statement than to reply to each question independently in isolation.

(9) (a) I do not think that Lord Meston has expressed himself in favour of the immediate stabilisation of the rupee at 1s. 4d. gold. Sir James Wilson, writing to the "London Times" on the 22nd August 1924 does indeed advocate this course, but in doing so he writes:

"It might be necessary to reduce the quantity of rupee currency in circulation and this could most easily be done by withdrawing a portion of the greatly inflated note circulation."

This does not suggest that Sir James Wilson is closely acquainted with present day financial conditions in India.

(b) The statement that the continuance of the 2-shilling ratio on the Statute-book has brought India's trade and industry to the verge of bankruptcy seems to me patently incorrect and not to deserve serious attention either from the Honourable Member or from the Government.

In regard to the remainder of the questions, three separate points are raised:

- (a) the continuance of the statutory ratio of 2 shilling gold for the rupee ;
- (b) the question of substituting a ratio of 1s. 4d. gold ; and
- (c) stringency in the money market.

These questions are inter-connected but not so closely I think as is implied in the question.

As regards (a), the Government, as has been stated more than once, regard the 2 shilling ratio as inoperative but harmless. They desire that in due course an effective ratio should be substituted for the 2 shilling ratio, but it is necessary first of all to be sure that whatever new ratio is decided upon can be made fully effective as well as to determine what the new ratio ought to be. I would point out to the Honourable Member that a ratio of 1s. 4d. gold would have been as inoperative during the last busy season as the 2 shilling ratio was, and that the 2 shilling ratio cannot, therefore, be said to have prevented the automatic expansion of the currency.

(b) The Government do not think that it will be in the interests of India to fix a new gold ratio for the rupee forthwith, at a time when countries like Holland, Switzerland and South Africa regard a return to the gold standard in their own case as a somewhat rash experiment until they are more certain of what will happen to sterling. The satisfactory outcome of the London Conference on Reparations undoubtedly gives hope that the moment for action will be accelerated, but it has not yet arrived. When the time comes, it will be necessary that the Government should be in a position to make the rate decided upon fully effective, and that there should be means for supporting the exchange if it threatens to fall below the new statutory rate—a point which is not provided for in the Bills of which the Honourable Member has given notice. Moreover, before action can be taken very careful consideration must be given to the question whether a rate of 1s. 4d. gold or some higher rate is most likely to be beneficial to India, regard being had to the interests of the consumer and the tax-payer as well as the other interests concerned. The Government are not in a position to fix the date when they expect themselves to be in a position to introduce legislation for altering the existing statutory ratio. Until that time comes, they are not prepared to support or give facilities to legislation on the subject introduced by a non-official Member. The question of appointing a Committee to consider and advise on currency policy before action is finally taken is one to which the Government have given, and will give, careful consideration. They are not, however, prepared to make an announcement on the subject at present.

(c) I have left to the last the question of stringency in the money market. Until the economic disturbances caused by the war when India's currency was greatly expanded have receded further into the background and until the new savings annually available for capital investment in India become more nearly equal to the demand, some stringency is probably unavoidable during the busy season in India. A rise in the bank rate may exercise a salutary check on speculation, but a very high rate long continued must hamper legitimate trade. I have already pointed out that a ratio of 1s. 4d. gold would not in any way have relieved the stringency during the last busy season whereas

the Government were able, by issuing currency notes to a total of 12 crores against sterling in London, to provide material relief over and above the relief afforded by the emergency currency legislation. The Government recognise that, quite apart from the natural affection for cheap money which is always to be found in certain portions of any business community, there is serious disquietude at present in India in regard to the tightness of money and its possible effects during the coming busy season. The Government have already announced certain relaxations in the rules regarding the issue of emergency currency. Apart from this, they have every intention of using to the fullest extent necessary their powers to issue currency against purchases of sterling. But the Government are confident that by the free use of the powers available to them under existing conditions they will be in a better position to provide suitable relief for undue stringency during the coming winter than if they were to proceed immediately and, as they believe, hastily to alter the statutory ratio of the rupee.

Sir Purshotamdas Thakurdas : I hope the Honourable Member will not mind if I put a few supplementary questions arising out of the statement that he has made. I would rather not put these questions if he should mind it. The Honourable Member said that the tightness of the money market has put a stop to speculation. May I know, Sir, if the Government of India have any information as to speculation being rife or even likely in any important market in India at present ?

The Honourable Sir Basil Blackett : Certainly the Government have general information as to the state of various markets. Some forms of speculation may be desirable. Speculation in itself is not an undesirable thing. It is a mere question of its reasonable limits.

Sir Purshotamdas Thakurdas : My question was— are the Government aware of any objectionable form of speculation being rife at present which should be checked by tight money market ?

The Honourable Sir Basil Blackett : I do not think I can really be expected to enter into an argumentative discussion of this sort in answer to a question.

Sir Purshotamdas Thakurdas : With regard to the relaxation of rules, the Honourable Member said that the relaxation is that 4 crores are available to the Imperial Bank at 7 per cent. Do the Government of India propose to further consider the advisability of some more concessions in view of the tightness of the money market at present ?

The Honourable Sir Basil Blackett : I do not think I can add anything to the answer which I have already given on that point.

Mr. Jamnadas M. Mehta : Is not 7 per cent. itself a very heavy rate ?

The Honourable Sir Basil Blackett : It may or may not be.

Mr. Jamnadas M. Mehta : I want a definite answer ?

The Honourable Sir Basil Blackett : I have given it.

Mr. Jamnadas M. Mehta : Is it high in comparison with the London market rate ? I want a comparison to be made.

The Honourable Sir Basil Blackett : I have given the only answer that is possible, namely, that 7 per cent. may be a very high rate and it may be a very low one.

Mr. Jamnadas M. Mehta : It is not an answer ; it is an evasion.

Sir Purshotamdas Thakurdas : The Honourable Member has also referred to some stringency. May I ask the Honourable Member if he is aware that $3\frac{1}{2}$ per cent. Government paper has gone down during the course of the last four weeks from $68\frac{1}{2}$ to $63\frac{1}{4}$, that the 1926 Loan has gone down from Rs. 101|10|0 to Rs. 99|12|0 and that the latest Loan of the Government of India, to which the public subscribed 13 crores has gone down by Rs. 2 per cent.

The Honourable Sir Basil Blackett : The latest figures that I saw did not show such a large fall ; but I am perfectly aware that there has been a considerable fall.

Mr. Harchandrai Vishindas : Will the Honourable Member state whether he is in a position to say in what cases 7 per cent. will be considered to be a high rate of interest and in what cases it will be considered a low rate of interest ?

The Honourable Sir Basil Blackett : If the Honourable Member were trying to hold up produce on borrowed money when it ought to be sold 7 per cent. might be a very desirable rate.

Mr. Jamnadas M. Mehta : Is it a fact that as a result of this new statutory rate, the currency has been contracted to the extent of 62 crores ?

The Honourable Sir Basil Blackett : That, Sir, is a question of arithmetic. If you take the effect of the old statutory rate from the date when it was first made effective, then it will be seen that the currency was increased by more than 62 crores.

Mr. Jamnadas M. Mehta : I mean from 1920 onwards. Is it not a fact that as a result of this new rate it is less by 62 crores than it would otherwise have been ?

The Honourable Sir Basil Blackett : I am not sure exactly from what date the contraction of the currency has begun. But there has been some desirable contraction of the currency during the last four years. If the Honourable Member will put down a question on this subject, I shall be able to give him an answer. I do not carry these figures in my head.

Sir Purshotamdas Thakurdas : Would it be correct to infer from the Honourable the Finance Member's statement that the Government of India are in favour of a higher ratio than 1s. 4d. gold and that they have not yet made up their mind to change the ratio from 2s. gold ?

The Honourable Sir Basil Blackett : It would not be a correct inference. The correct inference would be that this matter is one which the Government think should receive careful consideration.

Mr. Jamnadas M. Mehta : Is it not a fact that a higher rate of exchange is a very good incentive to imports ?

The Honourable Sir Basil Blackett : It is not a fact. A rising rate of exchange may nowever have that effect.

Mr. President : I think Honourable Members had better not put any more questions on this subject.

Sir Purshotamdas Thakurdas : I wish to express my sincere thanks to the Honourable Sir Basil Blackett for having given me this opportunity of bringing up this matter.

E.—Miscellaneous.**PROCEDURE FOLLOWED BY THE INDIAN STORES DEPARTMENT *re* TENDERS FOR STORES.**

*Sir P. S. Sivaswamy Aiyer : Will the Government be pleased to state, if it is true :

- (a) That tenders for stores to be purchased by the Indian Stores Department are advertised for in the Indian Trades Journal?
- (b) That on the due date the tenders are opened publicly, in the presence of any tenderers who wish to be present and the prices quoted are read over to them ?
- (c) That a statement of all orders placed by the Department, with prices, is published weekly in leading papers in India ?

2. If the reply to question No. 1 be in the affirmative, will the Government be pleased to state, if there are any reasons why unlike the Indian Stores Department, the Master General of Supplies and the different railway administrations and the Railway Board do not follow this wholesome procedure ?

The Honourable Mr. A. C. Chatterjee : 1. (a) The procedure in force in the Indian Stores Department is, whenever time permits, to invite tenders for all requirements exceeding Rs. 5,000 in value by means of advertisements in the *Indian Trades Journal* and, in special cases, in leading newspapers also. For urgent demands and demands under Rs. 5,000 in value tenders are invited from firms, borne on the list of the Chief Controller of Stores, which deal in the class of articles required.

(b) and (c). The answer is in the affirmative.

2. The Railway Board have instructed railway administrations to follow, as far as is practicable, the procedure indicated in parts 1, (a) and (b) of the question, and, though it would probably not be feasible to publish weekly in the leading newspapers a statement of all the numerous orders, large and small, placed by railways, the Railway Board have also asked railway administrations to publish results of tenders called for publicly in the *Indian Trades Journal*.

The methods of purchase adopted by the Master General of Supply vary according to the nature of the commodity. Generally speaking, these methods are directed to the securing of supplies of the requisite quality at the cheapest rates. The methods actually followed are as follows :

- (a) *Food grains* are purchased wholesale in the principal growing centres through the agency of a commercial firm of standing and tenders for the agency are invited through the medium of the various European and Indian Chambers of Commerce in India.
- (b) *Wheat products* are obtained by milling Government wheat at mills taken under Government control.
- (c) *Coal and coke* are obtained through the Chief Mining Engineer, Railway Board, who places his orders with the collieries.
- (d) *Petrol, mineral oil, lubricants and paints*. Tenders are invited from the producers and manufacturers and their accredited agents who are the only wholesale source of supply.

- (e) *Miscellaneous stores including Ordnance stores.* A list of approved firms, whose credentials and resources have been ascertained, is maintained, and tenders are invited from these firms.

In view of the market conditions obtaining in respect of the classes of stores with which the Master General of Supply deals it is considered that the existing procedure has many advantages, but the question will receive further consideration.

STORES FOR THE MASTER GENERAL OF SUPPLY, THE RAILWAY BOARD AND RAILWAY ADMINISTRATIONS.

***Mr. A. Rangaswami Iyengar :** Will the Government be pleased to order the Master General of Supply, the Railway Board, and all the railway administrations in the future:

- (a) firstly to advertise for tenders of all their requirements above Rs. 2,000 and also state in the tenders where the stores are required;
- (b) secondly, to open all tenders publicly and read out the rates to the competitors who wish to be present;
- (c) thirdly, to publish weekly, in the leading papers, statements of all orders placed with prices.

Mr. A. A. L. Parsons : Government are not prepared to issue orders to the Master General of Supply on the lines suggested. The procedure followed by that officer in the matter of obtaining supplies has already been fully described in the answer given to the Honourable Member's starred question immediately preceding this one, to which I would invite his attention:

- (a) As regards the Railway Board, they seldom, if ever, purchase stores, etc., without calling for tenders. With regard to the railway administrations, it would not be practicable or economical in all cases for railways to advertise for tenders for all their requirements above Rs. 2,000, but this is done in the majority of cases. There are cases in which advertising for tenders would serve no useful purpose or would cause delay in meeting urgent demands. The tender forms indicate where the stores are to be delivered. I may mention however that numerous railway advertisements for *tenders already appear in the Indian Trades Journal* and I will suggest to Agents that the practice should be extended as far as possible.
- (b) and (c). The Honourable Member is referred to the reply given to part (2) of his question immediately preceding this one.

Mr. Chaman Lal: Will Government be pleased to inform the House as to the procedure adopted in giving tenders for railway sleepers to Spedding and Co.?

PURCHASE OF RAILWAY AND OTHER STORES THROUGH THE INDIAN STORES DEPARTMENT.

***Mr. W. S. J. Willson :** With reference to the statement of Sir Charles Innes in this Assembly on 2nd March 1922 to the effect that "as this Indian Stores Department is established, it will purchase for the Government in India..... Then

the Stores Department would be mainly occupied in buying railway materials not only for State Railways but for Company Railways also."

- (a) Is it the case that purchases for railways are being made by the railways in direct communication with the London Stores Department independently of the Indian Stores Department?
- (b) Will Government be pleased to state their policy in the matter of the utilisation of the Indian Stores Department by State-worked railways, Company managed State-owned lines, the Post and Telegraph Department and the Military Department?

The Honourable Mr. A. C. Chatterjee : (a) Although the State-worked Railways indent direct on the London Stores Department for such stores as they consider must be obtained from outside India under the new Stores Rules, copies of all such indents are sent by those Railway administrations to the Indian Stores Department, which advises the railway concerned if any articles included in such indents are manufactured and can suitably be purchased in India.

Company-worked Railways make their own arrangements for the purchase of stores either direct in India or through their Boards of Directors in England.

(b) I would invite the Honourable Member's attention to the recent letter dated the 18th August 1924, addressed to the State-worked Railways and to the East Indian and Great Indian Peninsula Railways, copies of which were laid on the table on the 17th September 1924 in answer to Mr. Neogy's starred question No. 2135. Other Company-worked Railways have been furnished with a copy of the letter addressed to the East Indian Railway and Great Indian Peninsula Railways, and the Railway Board propose to discuss the matter next month with the Agents of all railways.

The Indian Stores Department has already been entrusted with large purchases of textiles and also engineering plant and materials required by the Army. The Department has also taken over the purchase of various classes of stores used by the Post and Telegraph Department. The question of utilising the Stores Department to a greater extent in connection with the purchase and inspection of stores on behalf of these departments is under the consideration of Government.

REVISION OF RAILWAY COAL CONTRACTS MADE IN 1921.

Sir Purshotamdas Thakurdas : Sir, I beg to put, with the consent of the Commerce Department, the following question :

(a) Will Government be pleased to state if any changes have been made either regarding quantities or rates in the contracts for coal made in 1921 by the then Mining Engineer to the Railway Board?

(b) If the reply to the above be in the affirmative, will Government be pleased to state the total direct saving to Government by such change?

Mr. A. A. L. Parsons : I should like, if the House will permit me, to go rather beyond the limits of my Honourable friend's question in order to make the position clear.

At the beginning of the current year deliveries under the contracts for rail-borne coal made in 1921, by the advice of the then Mining Engineer to the Railway Board, were in arrears to the extent of rather over 2½ million tons. Railways were well stocked with coal; they were liable under the contracts to take over four million tons this year at the rates fixed for this year in the contracts; they did not require any of the arrears; and the Railway Board were advised that under the terms of the contracts they were not obliged to take them. They, therefore, instructed the Chief Mining Engineer to cancel the arrears.

Representations were immediately received from the coal trade protesting against this action, and in consequence two Members of the Railway Board proceeded at once to Calcutta with the object of coming to an amicable solution. They and the present Chief Mining Engineer met the officials of the Indian Mining Association and Federation in conference at the beginning of July and arrived at the following arrangement:

- (i) The cancellation of past arrears amounting, as I have said, to over 2½ million tons of coal to stand;
- (ii) Coal supplied under the contracts this year to be paid for at prices Rs. 2 less per ton than the contractual rates for Deshargarh and Re. 1-4-0 less per ton than the contractual rates for coals of other descriptions.
- (iii) Contractors accepting this arrangement to be given contracts for the requirements of railways in 1925-26 at rates four annas per ton less than the revised rates fixed for this year, and for quantities based on the quantities provided for in this year's contracts and determined in the following manner. Where a contractor was in no way in default, that is to say, where responsibility for the arrears of previous years could in no way be attributed to him his contract for 1925-26 is for the full contractual quantity for the current year; in other cases the contract for 1925-26 is for 75 per cent., 50 per cent., 25 per cent., or exceptionally *nil*, according to the measure of the contractor's responsibility for the default which has produced the arrears. The effect of this part of the arrangement is that we have contracted for rather over 3 million tons next year or about a million tons less than the contractual quantity for this year.
- (iv) The contractual quantities for this and next year to be taken at the revised prices without cancellation of any arrears remaining to be delivered after the termination of each year.

The estimated direct saving to our revenues in the current year from this revision of the contracts by mutual arrangement is 65 lakhs.

All I have so far said applies only to the rail-borne contracts for coal made in 1921. At the instance of the Railway Board acting under the authority of the Government of India the contracts for sea-borne coal made in 1921 by Indian railways have been repudiated by the railways concerned, and as suits have been lodged against the repudiation and are still *sub judice*, I regret that I am unable to give the Honourable Member at present any further information with regard to the sea-borne

Mr. W. S. J. Willson : Have Government purchased any coal by private treaty since those negotiations referred to in July ?

Mr. A. A. L. Parsons : I think not, Sir, at any rate not for the railways who are concerned with the rail-borne contracts I have been mentioning. I understand that the Bengal-Nagpur Railway has lately called for tenders ; but it was not concerned with the contracts with which I have now been dealing.

Sir Purshotamdas Thakurdas : Can the Honourable Member give a rough idea of the amount involved in the suits which are pending in Courts ?

Mr. A. A. L. Parsons : I should prefer not to, Sir.

SUPPRESSION OF THE OPIUM TRAFFIC.

***Lala Duni Chand :** 1. (a) Has the attention of Government been drawn to an extract from a letter written by an American lady to Mahatma Gandhi, published in "The Young India" of 31st July 1924, in which she, on the strength of a quotation from a bulletin, issued by the British Society for the suppression of the opium trade, says :

"India is still permitted to supply five Eastern Governments with as much opium as they officially ask for, that in spite of the boasting that she does not sell the drug to private persons in those five countries, by agreement she drenches them with narcotics, which find their way by smugglers into China, and that while a Dangerous Drug Act forbidding the unlicensed possession of opium and its derivatives is passed for England, the British India Government yet maintains this scandalous and nefarious traffic " ?

(b) Are the facts stated in part (a) correct, and is the indictment brought by the British Society for the suppression of the opium trade against the Government of India true ?

2. Are Government prepared to take any steps or adopt measures to remove or extenuate the existing state of things in the matter of manufacture and export of opium to other countries.

The Honourable Sir Basil Blackett : 1. (a) The answer is in the affirmative.

(b) No. The accusation is on the face of it a hysterical misrepresentation of the facts and entirely false both in its substance and in its implications.

2. The Government of India are strictly complying with their obligations under the Hague Opium Convention in the matter of export of opium and are not prepared to take further action independently of these obligations. If the importing Governments concerned decide to restrict the amount imported, the exports from India will be automatically reduced. The fact that this involves a further reduction in the revenues of the Government of India, which have already been greatly reduced by the action voluntarily taken by the Government of India, will not for a moment be allowed to affect the Government's attitude. But it is for the other Governments concerned, if they think that the opium imported is not being put to legitimate uses—of which I have no evidence—and not for the Government of India, to take action. Indeed action by the Government of India would seem to involve an unwarrantable slur on the good faith and capacity of the other Governments in question.

Dr. H. S. Gour : May I beg to inquire, in view of the fact that the Government of India adhere to the Hague Opium Convention, what steps they have taken to assure themselves of the fact that the non-export of Indian opium does not stop the consumption of opium and that there has not been a large production of indigenous opium in China which replaces exported Indian opium, thereby entailing upon the Indian revenue a considerable loss which is not justified by the correspondingly reduced consumption of opium in the countries to which exports from India were previously made.

The Honourable Sir Basil Blackett : I think that the Honourable gentleman is correct in suggesting that the results of the stoppage of export of opium from India hitherto have been somewhat disappointing. It is very doubtful if there has been any decrease in the consumption of opium in China and there has been a large increase in the exports of opium from Persia and Turkey.

Dr. H. S. Gour : And the local growth of opium, the local cultivation of opium reported in all the papers of India.

The Honourable Sir Basil Blackett : I implied that in my answer.

APPENDIX I.

Statement showing Acts passed by the Indian Legislature during the September Session, 1924.

1. Indian Motor Vehicles (Amendment) Act (XV of 1924).
2. Indian Post Office (Amendment) Act (XVI of 1924).
3. Imperial Bank of India (Amendment) Act (XVII of 1924).
4. Indian Criminal Law (Amendment) Act (XVIII of 1924).
5. Land Customs Act (XIX of 1924).

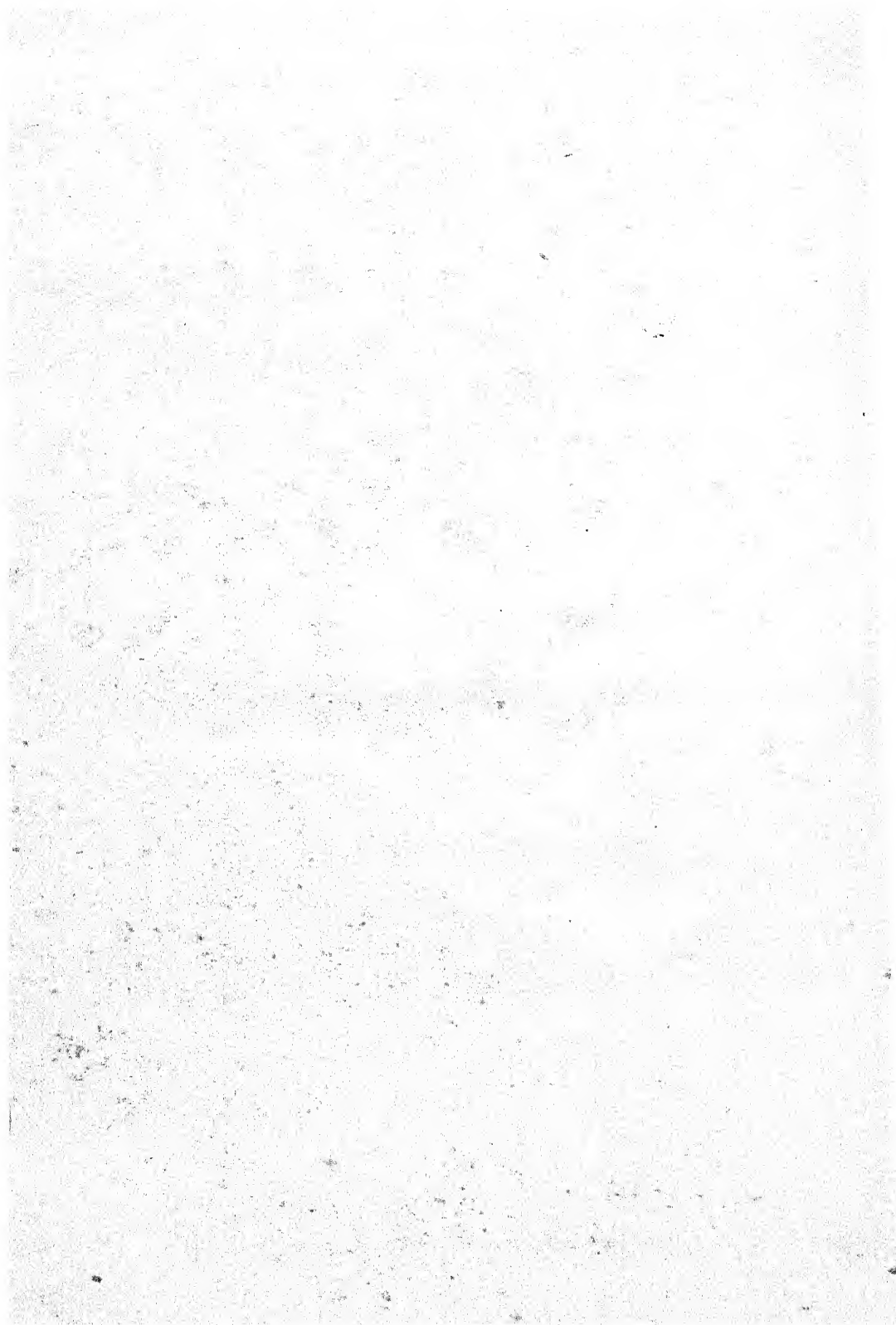
APPENDIX II.

Statement of official and non-official Bills pending before the Council of State and the Legislative Assembly.

No.	Bill.	Originating Chamber.	REMARKS.
<i>(a) Official.</i>			
1	Indian Succession Bill .	Council of State .	Introduced and circulated for opinion. To be referred to a Joint Committee.
2	Provident Funds Bill .	Ditto . .	Passed by the Council of State and amended by the Assembly. The amendments to be taken into consideration by the Council of State.
3	Code of Civil Procedure (Amendment) Bill.	Legislative Assembly	Introduced and referred to Select Committee.
4	Indian Merchant Shipping (Amendment) Bill.	Ditto . .	Circulated for opinion and referred to Select Committee. Report of the Committee presented.
5	Court-fees (Amendment) Bill.	Ditto . .	Introduced and referred to Select Committee.
6	Indian Soldiers (Litigation) Bill.	Council of State .	Passed by the Council of State and referred to Select Committee by the Assembly.
7	Obscene Publications Bill	Ditto . .	Ditto.
8	Cotton Ginning and Pressing Factories Bill.	Legislative Assembly	Introduced and circulated for opinion by the Assembly.
9	Workmen's Breach of Contract (Repealing) Bill.	Ditto . .	Introduced only.
<i>(b) Non-official.</i>			
1	Hindu Inheritance (Removal of Disabilities) Bill. (Mr. Seshagiri Ayyar.)	Legislative Assembly.	Passed by the last Legislative Assembly and laid on the table in the Council of State. Consideration in the Council of State postponed on the 19th July, 1923.
2	Hindu Law of Inheritance (Amendment) Bill. (Mr. Seshagiri Ayyar.)	Ditto . .	Ditto.
3	Indian Succession (Amendment) Bill.	Council of State .	Introduced. To be referred to a Joint Committee.

Statement of official and non-official Bills pending before the Council of State and the Legislative Assembly—contd.

No.	Bill.	Originating Chamber.	REMARKS.
<i>(b) Non-official—contd.</i>			
4	Indian Criminal Law Amendment (Repealing) Bill. (Dr. H. S. Gour.)	Legislative Assembly.	Passed by the Legislative Assembly. To be laid on the table in the Council of State.
5	Legal Practitioners Bill (Diwan Bahadur T. Rangachariar.)	Ditto . .	Introduced during the life time of the last Assembly and circulated for opinion by the direction of that Assembly.
6	Legal Practitioners (Amendment) Bill. (Mr. K. C. Neogy.)	Ditto . .	Introduced and referred to Select Committee during the life time of the last Assembly. Report of the Committee presented on 24th July, 1923.
7	Code of Criminal Procedure (Amendment) Bill. (Diwan Bahadur T. Rangachariar.)	Ditto . .	Introduced and referred to Select Committee.
8	Indian Registration (Amendment) Bill. (Mr. K. Rama Aiyangar.)	Ditto . .	Ditto.
9	Indian Penal Code (Amendment) Bill. (Dr. H. S. Gour.)	Ditto . .	Referred to Select Committee and Report of Committee with Bill as amended circulated for opinion by the Assembly.
10	Hindu Religious and Charitable Trusts Bill. (Dr. H. S. Gour.)	Ditto . .	Introduced and circulated for opinion by the Assembly. The debate on the motion for reference to Select Committee was adjourned on the 16th September, 1924.
11	Indian Registration (Amendment) Bill. (Diwan Bahadur T. Rangachariar.)	Ditto . .	Introduced and circulated for opinion by the Assembly.
12	Hindu Coparcener's Liability Bill. (Dr. H. S. Gour.)	Ditto . .	Introduced and referred to Select Committee.
13	Weekly Payments Bill. (Diwan Chaman Lall.)	Ditto . .	Introduced only.
14	Maternity Benefit Bill. (Mr. N. M. Joshi.)	Ditto . .	Ditto.
15	Indian Railways (Amendment) Bill. (Mr. K. C. Neogy.)	Ditto . .	Ditto.
16	Special Marriage (Amendment) Bill. (Dr. H. S. Gour.)	Ditto . .	Ditto.



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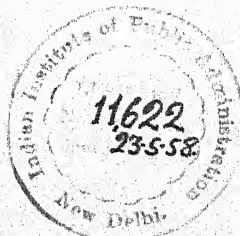
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